

By Mr. CARLSON:

H. R. 8677. A bill granting a pension to Alfred Wiley, Jr.; to the Committee on Invalid Pensions.

By Mr. CHAPMAN:

H. R. 8678. A bill granting a pension to Gilbert Walton; to the Committee on Invalid Pensions.

H. R. 8679. A bill for the relief of the estate of Frank H. Lusse, deceased, of Frankfort, Ky.; to the Committee on Claims.

By Mr. DISNEY:

H. R. 8680. A bill for the relief of Blanche Thompson; to the Committee on Claims.

By Mr. GREEN:

H. R. 8681. A bill granting an increase of pension to James P. Case; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia:

H. R. 8682. A bill granting a pension to Henry B. Lyons; to the Committee on Pensions.

By Mr. KRAMER:

H. R. 8683. A bill for the relief of Chilton Craddock; to the Committee on Naval Affairs.

By Mr. MALONEY:

H. R. 8684. A bill for the relief of George W. Rathborne; to the Committee on Claims.

By Mr. RAYBURN:

H. R. 8685. A bill to extend the benefits of the Federal Employees' Compensation Act, approved September 7, 1916, as amended, to Merton Terence Cross; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 8686. A bill granting a pension to William B. Ludlow; to the Committee on Invalid Pensions.

H. R. 8687. A bill granting an increase of pension to Katharine H. Fuller; to the Committee on Invalid Pensions.

H. R. 8688. A bill for the relief of H. Glenn Cunningham, Jr., C. A. Laursen, and William J. Godschalk; to the Committee on Claims.

By Mr. MOUTON:

H. R. 8689. A bill for the relief of Desiderio Alvarez de la Fuente; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6686. By Mr. BALL: Petition of sundry citizens of Wilmamantic, Conn., favoring the passage of legislation for the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6687. By Mr. BRADLEY of Michigan: Petition of Jasper D. Cole and 57 others, of Emmet County, Mich., recommending passage of Townsend bill; to the Committee on Ways and Means.

6688. By Mr. LEONARD W. HALL: Petition of officials of the town of Oyster Bay and city of Glen Cove; officers of the Polish National Home, of Glen Cove, N. Y.; veterans' organizations; and others, adopted at a public meeting in the city of Glen Cove, requesting that Congress take action by way of protest to the Governments of Germany and Russia against the treatment of Polish nationals and to lend its influence in making possible the provision of relief, food, and medical care by humanitarian organizations to the needy citizens of Poland; to the Committee on Foreign Affairs.

6689. By Mr. MARTIN J. KENNEDY: Petition of the Yorkville Chamber of Commerce of New York City, opposing the passage of the Neely bill (S. 280), known as the block-booking bill; to the Committee on Interstate and Foreign Commerce.

6690. By Mr. KEOGH: Petition of the National Society for the Prevention of Blindness, New York City, favoring the appropriation of \$7,000,000 for the control of venereal diseases; to the Committee on Interstate and Foreign Commerce.

6691. Also, petition of Elmer E. Bennett, Jr., Post, No. 725, American Legion, William E. White, commander, Brooklyn,

N. Y., favoring the passage of House bill 7593, widows and orphans pension bill; to the Committee on World War Veterans' Legislation.

6692. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6693. By Mr. KRAMER: Resolution of the Assembly and Senate of the State of California, relative to the continuance of Japanese-beetle suppression under Federal auspices; to the Committee on Agriculture.

6694. By Mr. MURRAY: Petition of I. P. Goult and Irvin Peterson, of Wautoma, Wis., and others; to the Committee on Ways and Means.

6695. By Mr. SEGER: Petition of 750 residents of Paterson, N. J., and vicinity, opposing the enactment of Senate bill 2395, the so-called wheat-certificate-allotment plan, because of possible taxes on necessities; to the Committee on Agriculture.

6696. By Mr. SCHIFFLER: Petition of Mrs. J. E. Harper, director, and officers and members of the Youth's Temperance Council of Chester, W. Va., urging the passage of Senate bill 517; to the Committee on Interstate and Foreign Commerce.

6697. By Mr. SUTPHIN: Petition of the New Jersey Highway Users Conference, representing highway users and those interested in highway transportation, opposing the enactment of Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

6698. By Mr. VAN ZANDT: Memorial of G. A. Reed, president, Washington Camp, No. 889, P. O. S. of A., Centre Hall, Pa., and others, protesting against foreign propaganda, and urging that every effort be made to keep America out of war; to the Committee on Foreign Affairs.

6699. By the SPEAKER: Petition of the State, County, and Municipal Workers of America, Congress of Industrial Organizations, Harrisburg, Pa., petitioning consideration of their resolution with reference to the Budget; to the Committee on Appropriations.

6700. Also, petition of the American Legion, Department of Idaho, Boise, petitioning consideration of their resolution with reference to the establishment of a domiciliary center; to the Committee on World War Veterans' Legislation.

6701. Also, petition of the Chamber of Commerce, Anniston, Ala., petitioning consideration of their resolution with reference to the Allatoona flood-control project; to the Committee on Flood Control.

6702. Also, petition of Yavapai Associates, United Civic Groups of Yavapai County, Prescott, Ariz., petitioning consideration of their resolution with reference to the selecting of a new Director of the United States Bureau of Mines; to the Committee on Mines and Mining.

6703. Also, petition of the Alameda County Industrial Union Council, Oakland, Calif., petitioning consideration of their resolution with reference to a large-scale low-rent housing and slum-clearance program; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 28, 1940

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed heavenly Father, we pray Thee to make manifest to us that which is entire truth, honor, and fidelity that these virtues may be swept into the treasury of our daily conduct. We come to Thee that we may have life that is not a mere existence written in a wounded past and a halting future but life rich, unfailing, ever deepening and eternal: Oh, this is life eternal that we may know Thee, the only true God, Jesus Christ, whom Thou hast sent. Our gratitude rises to Thee that the old world hopes and aspirations come winging through the radiance of Thy glory. Oh just to be in a living world to labor and walk its kindly, brotherly ways and be alive more and more! Enable us to heed the messages to

the churches of old: "Be thou faithful unto death and I will give thee a crown of life." Glory be to the Father and to the Son and to the Holy Ghost; as it was in the beginning, is now, and ever shall be, world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

APPOINTMENTS OF MEMBERS TO STANDING COMMITTEES

Mr. CULLEN. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 403

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives, to wit:

Patents: M. MICHAEL EDELSTEIN, New York.
Civil Service: M. MICHAEL EDELSTEIN, New York.
Public Lands: M. MICHAEL EDELSTEIN, New York.
Revision of the Laws: M. MICHAEL EDELSTEIN, New York.
District of Columbia: JOHN L. McMILLAN, South Carolina.
Invalid Pensions: ROBERT T. SECREST, Ohio.

The resolution was agreed to.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1935) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand there is unity of opinion as to this bill among the members of the committee at the present time?

Mr. McLAUGHLIN. That is correct, Mr. Speaker. It has the unanimous approval of the Judiciary Committee which considered it.

Mr. MARTIN of Massachusetts. I have no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended to read as follows:

"Sec. 75. (a) Every United States district court of bankruptcy shall appoint referees to be known as conciliation commissioners, who need not be lawyers, but must otherwise have the qualifications of referees. One or more such commissioners shall be appointed for each division or for the territory served by the city where terms of court are held.

"A conciliation commissioner shall have a term of office for 4 years and shall hold office until his successor is appointed and qualified but may be removed by the court for cause. He must be a resident of the division or the territory served by the city where terms of court are held. He must be familiar with agricultural conditions and must not have been or be engaged in the farm mortgage, banking, or farm-financing business. The court, if it deems it advisable, may appoint some suitable person as supervising conciliation commissioner in each judicial district who shall have such supervising conciliation functions as the court may by order specify, including the holding of hearings.

"(b) A farmer-debtor who is insolvent or unable to meet his debts as they mature may, at any time prior to March 4, 1944, file a voluntary petition in bankruptcy. The petition of the farmer-debtor shall be accompanied by his schedules in triplicate and shall be filed with the clerk of the court, but the conciliation commissioner may receive same and promptly transmit it to the clerk for filing. The filing of the petition with the clerk of court or the leaving of it with the conciliation commissioner for filing with the clerk shall be notice to all persons and officials and to all Federal and State courts. It shall automatically stay all judicial or official proceedings in all Federal and State courts and shall stay all levies, executions, actions, or proceedings under the direction of any official or person against the farmer-debtor or any of his property, including the sale of any of the farmer-debtor's property under the terms of any deed of trust.

"The provisions of this section shall apply to all judicial or official proceedings in any court or under the direction of any official, and shall apply to all creditors, public or private, including any Federal corporation or Federal agency, and to all of the farmer-debtor's property, wherever located: *Provided*, That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment, in the same order as set forth in said section 104, under the provisions of this section, in any distribution, assign-

ment, composition, or settlement herein provided for: *Provided further*, That nothing in this section shall affect the allowance and exemptions of farmer-debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code. All such allowances and exemptions shall be set aside for the use of the farmer-debtor in the manner provided for bankrupts.

"Such farmer-debtor may, at the time of filing his petition or at the time of the first or subsequent hearings, petition the court that all of his property, wherever located, whether pledged, encumbered, or unencumbered, be appraised, and that his unencumbered exemptions, and unencumbered interest or equity in his exemptions, as prescribed by State law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions, under the terms and conditions set forth in this section. Upon such a request being made, the conciliation commissioner, under the jurisdiction of the court, shall designate and appoint appraisers, as provided for in this act.

"Such appraisers shall appraise all of the property of the farmer-debtor, wherever located, at its then fair and reasonable market value. The appraisals shall be made in all other respects with rights of objections, exceptions, and appeals, in accordance with this act: *Provided*, That in proceedings under this section, either party may file objections, exceptions, and take appeals within 30 days from the date that the conciliation commissioner approves the appraisal.

"(c) After the value of the farmer-debtor's property shall have been fixed by the appraisal herein provided, the conciliation commissioner shall issue an order setting aside to such farmer-debtor his unencumbered exemptions, and his unencumbered interest or equity in his exemptions, as prescribed by the State law. He shall further order that the possession, under the supervision and control of the court, of any part or parcel or all of the remainder of the farmer-debtor's property shall remain in the farmer-debtor, according with the request in the petition, subject, however, to all existing mortgages, liens, pledges, or encumbrances. All such existing mortgages, liens, pledges, or encumbrances shall remain in full force and effect, and the property, up to the value judicially ascertained or determined under the provisions of this section, covered by such mortgages, liens, pledges, or encumbrances, shall be subject to the payment of the claims of the secured creditors as their interests may appear.

"(d) The filing of the petition with the clerk of court, or the leaving of it with the conciliation commissioner for filing with the clerk, shall immediately subject the farmer-debtor and all his property, including contracts for purchase, contracts for deed, or conditional sales contracts, the right or the equity of redemption or where a trust deed has been given as security, or any equity or any right in any such property, wherever located, to the exclusive and sole jurisdiction of the court.

"In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, or where the right under a deed of trust has not or had not become absolute, or where the sale has not or had not been confirmed, or where deed had not been delivered, the period of redemption shall be extended or the confirmation of sale withheld for the period necessary for the purpose of carrying out the provisions of this section. The words 'period of redemption' wherever they occur in this section shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by a judicial decree.

"In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the courts, the title, powers, and duties of its officers, the duties of the farmer-debtor, and the rights and liabilities of all creditors, and of all persons with respect to the property of the farmer-debtor and the jurisdiction of the appellate courts, shall be the same as if a decree of adjudication had been entered under other provisions of this act.

"(e) When the conditions set forth in this section have been complied with, the court shall enter an order continuing the stay of all judicial or official proceedings in any court, or under the direction of any official, against the farmer-debtor or any of his property of which he retains possession, for a period of 3 years. During such 3 years the farmer-debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental annually or semiannually as the court may direct for that part of the unexempt property of which he retains possession. The first payment of such rental shall be made within 1 year of the date of the order granting the petition for possession and staying proceedings for 3 years, the amount and kind of such rental to be the usual customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property. The provisions of this subsection are mandatory and not discretionary with the court.

"Such rental shall be paid into court, to be used, first, for the payment of taxes, insurance, and upkeep of the property, conciliation commissioner's fees, and the remainder to be distributed among the secured and unsecured creditors, and applied on their claims, as their interests may appear. The court, in its discretion, if it deems it necessary to protect the creditors from loss by the estate, or to conserve the security, may order sold any unexempt perishable property of the farmer-debtor, such as fruits, vegetables, and the products of poultry, dairy and livestock, or any unexempt personal property not reasonably necessary for the farming operations of

the farmer-debtor. The court may, in addition to the rental, require payments on the principal due and owing by the farmer-debtor to the secured or unsecured creditors in accordance with the provisions of this Act, and may require such payments to be made quarterly, semiannually, or annually, not inconsistent with the protection of the rights of the creditors and the farmer-debtor's ability to pay, with a view of his financial rehabilitation.

"(f) At the end of 3 years, or prior thereto, if he so desires, the farmer-debtor may pay into court the amount of the appraised value of the property of which he retains possession, including the amount of encumbrances on his exemptions, up to the amount of the appraised value, less any amount paid on principal: *Provided*, That upon request of any secured or unsecured creditor, or upon request of the farmer-debtor, the court shall cause a reappraisal of the farmer-debtor's property, or in its discretion set a date for hearing, and after such hearing, fix the value of the property, in accordance with the evidence submitted: *Provided, however*, That upon request in writing by any creditor the court shall proceed to ascertain the value of the property by trial the same as in condemnation proceedings.

"The farmer-debtor shall then have 90 days within which to pay the value so determined by the court together with 5 percent per annum interest into court, less any payments made on the principal, for distribution to all secured and unsecured creditors as their interests may appear. He may, at the same time, apply for his discharge as provided for in this act. Thereupon, the court shall by an order turn over full and complete possession and title of such property, free and clear of any and all encumbrances, to the farmer-debtor and grant his discharge.

"Any farmer who filed a petition under section 75 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, as amended, and in whose case a bankruptcy court has, under subsection (s) thereof, granted a stay of proceedings may, if the period for which such stay was granted has expired or is about to expire, make application to such court for an extension of such stay. If the court finds that such farmer has substantially complied with the provisions of paragraph (2) of subsection (s) of section 75 of such act, as amended, during the period of such 3-year stay then the court may extend the period of such stay from year to year not to exceed 2 years additional stay.

"If, however, the farmer-debtor at any time fails to comply with the provisions of this section, or with any lawful orders of the court made pursuant to this section, or is unable to refinance himself within 3 years, the court may then order the appointment of a trustee, and order the property sold or otherwise disposed of as otherwise provided for in bankruptcy proceedings in this act. But, except as otherwise herein provided, the court shall not dismiss the proceeding without complete liquidation and discharge of the farmer-debtor.

"(g) Upon notice previously given to the farmer-debtor and to all secured and unsecured creditors by the conciliation commissioner, the farmer-debtor or any creditor, at the first or any subsequent meeting of the creditors, may offer terms of composition or extension or both. The proposal thus made shall be made the basis of negotiation and it shall be the duty of the conciliation commissioner to preside and to endeavor to bring about a composition or extension of time or both in a manner that will be just and equitable to all the creditors and to the farmer-debtor. The composition shall not be less nor more than the value of the property as ascertained or established under provisions of this section; but nothing herein shall prevent the reduction of the future rate of interest on all debts of the farmer-debtor, whether secured or unsecured. If a composition or extension of time, or both, has been approved by the court, then the court may dismiss the petition but not otherwise.

"When a composition or extension proposal has been accepted in writing by the farmer-debtor and by a majority in number of all the creditors whose claims have been allowed, including secured creditors whose claims are affected, which number shall represent a majority and amount of such claims, then the court shall confirm the proposal if satisfied that it includes an equitable and feasible method of liquidation for secured creditors and of financial rehabilitation for the farmer-debtor and is for the best interest of all the creditors. And the court shall then dismiss the petition but not otherwise.

"(h) The conciliation commissioner shall promptly call the first meeting of creditors. He shall give notice of the date and place of such meeting to the farmer-debtor and to all creditors, secured or unsecured, as provided for in this act. The commissioner shall enclose with the notice a summary of the inventory, a brief statement of the farmer's indebtedness as shown by the schedules, and a list of the names and addresses of the secured and unsecured creditors, with the amounts owing to each as shown by the schedules. At the first or subsequent meeting of the creditors the farmer-debtor may be examined, and the creditors may appoint a committee to submit to the conciliation commissioner a supplementary inventory of the farmer-debtor's estate. There shall be prepared by, or under the supervision of, the conciliation commissioner a final inventory of the farmer-debtor's estate. In the preparation of such inventory the commissioner shall give due consideration to the schedules filed by the farmer-debtor and to any supplementary inventory filed by the committee of the creditors.

"(i) The conciliation commissioner shall receive as compensation for his services a fee of \$25 for each case submitted to him, and

when docketed, to be paid out of the Treasury. He shall receive such additional fees for his services as may be allowed by the court, not to exceed \$50 in any one case, to be paid out of the rental or the bankrupt's estate. The supervising conciliation commissioner shall receive as compensation for his services a per diem allowance to be fixed by the court in an amount not in excess of \$8 per day, together with subsistence and traveling expenses, in accordance with the law applicable to officers of the Department of Justice. Such compensation and expenses shall be paid out of the Treasury.

"The conciliation commissioner may accept and avail himself of office space, equipment, and assistance furnished him by other Federal officials, or by any State, county, or public official. He shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelope, all matters which relate exclusively to the business of the courts, including notices to creditors.

"(j) For the purposes of this section, section 4 (b), and section 74, the term 'farmer-debtor' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer-debtor; and a farmer-debtor shall be deemed a resident of any county in which such operations occur. The word 'act' wherever it occurs in this section shall mean the General Bankruptcy Act as amended, and the word 'section' means section 75 of the act as herein amended.

"(k) The provisions of this section shall be held to apply also to partnerships, common, entirety, joint, community ownerships, or to farming corporations where at least 65 percent of the stock is owned by actual farmer-debtors, and any such parties may join in one petition. It shall also apply to all cases now pending in any Federal or State court; and all cases that have been dismissed by any conciliation commissioner, referee, or court shall be promptly reinstated without any additional filing fees or charges: *Provided*, That the farmer-debtor at the time of his application for reinstatement has not been completely divested of all his interest or equity in or title to or in any or all of his property. Any farmer-debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court; and a previous discharge of the farmer-debtor under any other section of this act shall not be ground for denying him the benefits of this section. A farmer-debtor may, upon motion, transfer his petition from section 75 to proceedings under the general bankruptcy provisions of this act.

"(l) Upon filing of any petition by a farmer-debtor under this section there shall be paid a fee of \$10, to be transmitted to the clerk of the court and covered into the Treasury. No additional fees or cost of administration or supervision of any kind shall be charged to, or exacted from, the farmer-debtor, but all such additional filing fees or cost of administration or supervision shall be charged against the bankrupt's estate.

"(m) The Supreme Court is authorized to make such general orders as it finds necessary properly to govern the administration of the office of conciliation commissioner and proceedings under this section. Until such general orders are made the district courts shall follow the general orders previously made for procedure under this section. In regard to procedure the provisions of the General Bankruptcy Act shall apply as far as they are applicable to this section. If the court in its discretion deems it best, it may continue the present conciliation commissioner or referee in cases pending when this amendment becomes effective."

With the following committee amendment:

Strike out all after the enacting clause and insert:

That section 75 (c) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"(c) At any time prior to March 4, 1944, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

Sec. 2. Section 75 (r) of such act is amended to read as follows:

"(r) For the purposes of this section and section 4 (b) the term 'farmer' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

Amend the title.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to extend until March 4, 1944, the time during which petitions may be filed by farmers under section 75 of the Bankruptcy Act."

GENERAL VON STEUBEN

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, 37 years ago today the Congress of the United States appropriated \$50,000 for a statue in honor of a famous German soldier. This soldier was Baron Frederick Wilhelm Augustus Ferdinand von Steuben. General von Steuben was born in Prussia on November 15, 1730. He was the son of an Army officer and at an early age became an officer in the German Army. General von Steuben served with distinction during the Seven Years' War for German liberty.

On September 26, 1777, he sailed for America with several aides and an interpreter, and on December 1 landed at Portsmouth, N. H. General von Steuben offered his services to the cause of the American colonists at a time when they were badly needed. In doing this he sacrificed a secure career in his own country and devoted his entire skill and experience, which had been acquired over a long period of years under the greatest military masters of Europe, to the cause of American independence. He told Congress that he asked for neither pay nor rank, but would enter as a volunteer and perform any duty the commander in chief might assign him. The Congress then passed the following resolution:

Whereas Baron Steuben, a lieutenant general in foreign service, has in a most disinterested and heroic manner offered his services to these States as a volunteer:

Resolved, That the President present the thanks of Congress, in behalf of these United States, to Baron Steuben for the zeal he has shown for the cause of America and the disinterested tender he has been pleased to make of his military talents, and inform him that Congress cheerfully accepts of his services as a volunteer in the Army of these States, and wish him to repair to General Washington's quarters as soon as convenient.

General von Steuben was appointed inspector general of the Army with the rank of major general. His greatest success was in training the recruits in the elements of warfare. His heart was in this task. No part of the work was beneath him. He arose at dawn and labored all day. Probably the chief cause of his great success was due to the confidence he inspired in the officers and men. They knew that he was a thorough master of the art of warfare and they obeyed his orders with implicit confidence.

The Continental Army had no manual of instruction. The soldiers marched in Indian file. Nearly every officer instructed his men in his own method. General von Steuben immediately sensed the difficulty of training an army under those conditions. He wrote a book, which was used for years by the American Army, and was known as Steuben's Regulations, or the Blue Book. Six months after General von Steuben started training the American soldiers the precision of their maneuvers played a prominent part in the success of the Army on the battlefield. General Washington congratulated General von Steuben and said that the officers of the Army and the soldiers now felt that they were a match for the well-trained British troops. All of General von Steuben's success was not confined to the drill field. In the siege of Cornwallis at Yorktown General von Steuben commanded one of the three divisions that composed the Continental Army. It was General von Steuben's division that occupied the forward trenches when Cornwallis surrendered to Washington on September 19, 1781.

At the time of the Revolutionary War a large part of the population of the Colonies was formed by people of German birth or descent. It has been estimated that they composed over one-twelfth of the entire population. At the start of the war very little is heard of these Germans, not because of their

want of zeal and enthusiasm but because of their modesty. They preferred to have the people of English origin discuss the violation of English liberties and to decide what steps should be taken. When the decision was made that the Colonies would resist the British by force there was no group of people more patriotic or determined than the Germans to see that justice was achieved.

I think that it is only fitting at this time, when Germany brings to many minds the thought of Hitlerism and nazi-ism, that we should consider the qualities of the German people. For several years these great people have been forced to suffer under the yoke of an ambitious dictator. The Germans no longer enjoy the freedom and liberty, which they so long cherished and which many of their leaders helped the American Colonies obtain. General von Steuben was only one of many Germans who offered his sword and services to this country. The pages of history are filled with the names and deeds of Germans who came here to help the colonists gain their freedom and liberty.

The great part the German people played in the successful prosecution of the Revolutionary War has never been fully appreciated in America. Neither these brave colonists nor their descendants have claimed the praise which is their just due. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, yesterday more than 100,000 people in the State of Ohio went to the polls to vote in two special congressional elections. In the Twenty-second Congressional District of Ohio the Republican Party had the privilege of electing Ohio's first woman Representative to this House, Mrs. FRANCES P. BOLTON, the charming and talented widow of our late friend Chester C. Bolton.

In the Seventeenth District of Ohio a bitter contest took place. The Republican nominee was HARRY MCGREGOR, speaker of the Ohio House of Representatives. On the Democratic ticket was a nephew of the late Representative William Ashbrook, who bore the same name. Leading Democrats and Republicans went into this district to battle for their views. Gov. John W. Bricker spoke for the Republican Party. The New Deal was the basic issue of the campaign. Governor Bricker's work in providing assistance for the needy was attacked and defended.

Today the votes have been counted, and the Ohio congressional delegation has added two additional Republicans to the rolls. A Democratic district has gone Republican by a decisive margin. The people of Ohio have made their views clear. In both districts they have repudiated the New Deal policies. The Republican program has been vindicated. This November we are going to rewrite the old proverb. It will be, "As Ohio goes, so goes the Nation." And there is no doubt where Ohio is going. We are going forward to normalcy—back to the Republican Party. [Applause.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief editorial appearing in the Shelbyville Republican on February 26.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Harold E. Cockley, of Palmyra, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RECIPROCAL-TRADE AGREEMENTS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, I also ask unanimous consent to include in my remarks three short excerpts from the Oregonian.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, in the Oregon and Washington House delegations on the recent vote on the extension of the reciprocal trade agreements law only one member of the delegations voted for the extension.

The Pomona Grange, of Multnomah County, Oreg., which is in my district, and which is a county-wide organization, recently held a meeting, and there were 225 voting. They voted nearly unanimously against an extension of the reciprocal trade agreements law. There was also a poll taken in my district by the Oregonian with reference to this matter, and only 22 percent voted to extend the law.

An editorial in the Oregonian of recent date stated that "lumber has been 'sold down the river' and it will stay 'sold down the river' unless and until a change in policy is forced by political overthrow of those who are directing foreign trade relations."

Mr. Speaker, I ask leave to include in my remarks excerpts from the Portland Oregonian of date February 23, 1940, referring to the matters to which I have called attention.

The matter referred to follows:

[From the Portland Oregonian of February 23, 1940]

TRADE-PACT MERITS PUZZLE HALF PORTLAND'S VOTERS, FIGURES OF FRONT-DOOR BALLOT-BOX CANVASS REVEAL

(By Dan E. Clark II, director, Front-Door Ballot Box)

More than half the voters of Portland still have no opinion regarding reciprocal-trade agreements, although most political observers agree this question will be one of the major issues in the coming Presidential election.

Among the voters who have made up their minds on the subject there are more who would allow the program to lapse than those who favor extending the President's power to make the agreements.

These facts were indicated by a survey just completed by the Oregonian Front-Door Ballot Box, an opinion study based on a scientifically stratified sample of Portland voters.

ONE-FIFTH FAVOR EXTENSION

When asked, "In your opinion, should Congress extend this authority to the President or permit it to lapse next June?" voters would answer as follows, according to the survey:

| | Percent |
|----------------------|---------|
| Extend | 22 |
| Allow to lapse | 27 |
| No opinion | 51 |

Voters first were asked, "Have you heard of the act of Congress, passed over 4 years ago, which permits the President to make reciprocal-trade agreements with foreign countries?"

Twenty-nine percent of Portland's voters have not even heard of the act, according to the study.

The next question, designed to indicate whether or not the individual understood the reciprocal trade agreements program, asked, "Can you describe, briefly, what these trade agreements have generally provided for?"

FEW UNDERSTAND SITUATION

Only 11 percent of this city's voters can give even an approximate description, the survey shows. The remaining 89 percent do not even understand it to be a tariff program.

Many voters admitted they were "hazy about the whole thing." "You scratch my back, I scratch yours," was the explanation given by one woman.

A lumberman said the only thing he knew about the agreements was "they want a certain amount of lumber to come in from Canada."

MEN SLIGHTLY BETTER INFORMED

"It has something to do with 'help the Finns,'" suggested a woman mill worker.

The study shows men to be somewhat better informed on the subject than women. The following percentages were indicated:

| | Percent understand | Percent don't understand |
|-------------|--------------------|--------------------------|
| Men | 16 | 84 |
| Women | 7 | 93 |

A break-down into age groups showed voters under 30 years old to be the poorest informed on the subject of reciprocity agreements. Percentages follow:

| | Percent understand | Percent don't understand |
|-------------------|--------------------|--------------------------|
| 21-29 | 4 | 96 |
| 30-49 | 14 | 86 |
| 50 and over | 11 | 89 |

Best informed among the various income groups are those receiving incomes above average. Of this group, 36 percent could describe the reciprocity program.

Another break-down on this question showed Republicans are five times as well informed on the subject as Democrats, and persons who voted for Landon in 1936 six times as well informed as those who voted for Roosevelt.

BOTH SEXES VOTE SIMILARLY

Asked whether the President's power to negotiate the agreements should be extended or allowed to lapse, men and women answered in approximately equal proportions. Percentages follow:

| | Percent extend | Percent allow lapse | Percent no opinion |
|-------------|----------------|---------------------|--------------------|
| Men | 30 | 36 | 34 |
| Women | 15 | 20 | 65 |

Of the various income brackets, those having incomes above the average are strongest in opposition to the agreements, the survey shows, 49 percent of this group saying they think the program should be allowed to lapse.

[From the Portland Oregonian of February 23, 1940]

POMONA RAPS TRADE PACTS—RENEWAL OPPOSED BY FARM GROUP

(By Paul Laartz, staff writer, the Oregonian)

GRESHAM, February 22.—Urging restoration of the treaty-making power "to the President and Congress as specified in the Constitution," Multnomah County Pomona Grange, Wednesday, declared itself on record by resolution in opposition to renewal of reciprocal-trade agreements.

The Pomona, meeting at Pleasant Valley Grange, near here, asserted in the resolution that the 21 present treaties have worked handicaps on farming, lumbering, and other Northwest industries, and urged that Oregon's congressional delegation oppose their renewal.

MILK LAW SUPPORTED

Rescinding its action of last November, the 225 grangers attending the Pomona sessions voted nearly unanimously in support of a resolution endorsing the State milk-control law.

Last November the Pomona voted opposition to the milk-control law, but after hearing discussion by dairymen Wednesday turned their approval to it.

Twenty candidates were initiated into the fifth degree in ceremonies Wednesday night. Speakers during the day's meeting included Oscar Hagg, of Hillsboro, Jersey leader, and Bonneville project representatives.

[From the Portland Oregonian of February 23, 1940]

NEIGHBORS FIRST

The fallacious trade and tariff theories of the State Department did not encourage hope of concession to the Northwest lumber interests with respect to the Canadian reciprocal-trade agreement. The lumber interests showed that the 15-percent depreciation of Canadian currency enabled Canadian producers still further to undersell the United States product in the United States market. It did no good.

Already having an advantage over the American producer by reason of lower wage scales, lower taxes, and other factors, the currency depreciation reduces still further the cost of Canadian lumber to the American buyer. American dollars now exchange for a greater number of Canadian dollars than when the trade agreement was written, and the cheaper Canadian dollars will buy as much Canadian lumber as the dearer Canadian dollars formerly bought. But so plain a situation gains no sympathy or relief. Lumber representatives have been turned down.

While the depreciation of Canadian currency lowered the American tariff in effect, it raised the Canadian tariff in effect. A given number of Canadian dollars now exchange for a smaller number of American dollars; therefore, American typewriters and automobiles cost the Canadian purchaser more than formerly.

The Canadian agreement was written with the purpose of encouraging sale of eastern manufactures to Canada, and with disregard for the well-being of the American lumber industry and certain branches of agriculture.

If lumber now be given more tariff protection, presumably Canada will sell less lumber in the United States and have less money

wherewith to buy eastern manufactures, which have in effect gone up in price so far as the Canadian buyer is concerned. The State Department values foreign sales more than domestic sales, in that it rejects the rational view that if the United States lumber producer and the United States farmer are secured the domestic market, they will buy just as much eastern manufactures as could be sold in Canada by turning over the United States market to Canada for Canadian lumber and Canadian farm products. And if lumber be given its justifiable tariff concession, concessions will be demanded for other domestic products.

Lumber has been "sold down the river," and it will stay "sold down the river" unless and until a change in policy is forced by political overthrow of those who are directing foreign trade relations.

EXTENSION OF REMARKS

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two short newspaper articles and a letter from the Secretary of State.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some facts about the World War.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a copy of a speech by Hon. John Lord O'Brian, delivered at Buffalo, at the meeting of the Bar Association of New York State, on the Spirit of Remonstrance.

The SPEAKER. Is there objection?

There was no objection.

PICKETING

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, on the \$12,000,000 Supreme Court Building, across its front, where everyone walking past may see, are these words: "Equal Justice Under Law."

Within 300 feet to the north and west, just across the street facing it, stands the Methodist Building, owned and operated by the Temperance Board of the Methodist Church, and in which a Mrs. Miller, after others failed, is successfully operating a cafeteria which serves two meals a day and at which some of the Members of the Senate and of the House take their meals.

Some of her employees belong to a union; some do not, but there is no labor dispute; there has been no controversy over wages, hours, or working conditions; nor has any employee made any demand upon her which has not been granted.

Nevertheless, within the shadow of the Supreme Court which carries this legend, "Equal Justice Under Law," day after day, morning and evening, before the entrance to the cafeteria march pickets carrying placards bearing the legend that she is unfair to organized labor, giving false information as to the wages paid.

Let me repeat: Within the shadow cast by the Supreme Court Building, as the sun comes up in the east, is this Methodist Building owned by a religious organization; the cafeteria operated by an American citizen who has violated no law and who, under the decision of the Supreme Court in *New Negro Alliance v. Grocery Co.* (303 U. S. 552) and the decision in *Fur Workers' Union v. H. Zirkin & Sons, Inc.* (105 Fed. (2d) 1), affirmed by the United States Supreme Court on December 11, 1939, construing the Norris-LaGuardia and the National Labor Relations Acts, must submit to this slander and unfair treatment. This administration extends the strong arm of the Federal Government to protect those pickets who are slandering this woman, who has neither violated the Wage-Hour Act, the National Labor Relations Act, nor committed any other wrong. And the pickets are there in an effort to force the employees to join an organization which they do not wish to join. The pickets are there to levy and collect tribute from employees. We here in Congress refuse by our inaction to give relief to her or to her employees,

though knowing that her case and theirs is typical of hundreds of thousands of others.

If you want to amend the National Labor Relations Act, sign petition No. 23, which I have placed there for the purpose of getting action on the National Labor Relations Act at this session.

"Equal Justice Under Law." As Mrs. Miller walks out of her place of business each day; as her employees leave for their homes; as Representatives, Senators, and others who patronize her leave the doors and look across at the Supreme Court Building; as the foreigner within our gates reads those words, "Equal Justice Under Law"; then look across at the pickets, and remember the untruthfulness of the placards carried—how strange, how filled with hypocrisy, those words must seem to him, to her, and to us.

LEAVE OF ABSENCE

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent for an indefinite leave of absence for the gentleman from Ohio [Mr. SWEENEY] due to illness in his family.

The SPEAKER. Without objection, the leave of absence will be granted.

There was no objection.

CALL OF THE HOUSE

Mr. SECCOMBE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order that there is no quorum present. Evidently there is not.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

| | | | |
|-----------------|---------------|--------------|-----------------|
| Andresen, A. H. | Durham | Kelly | Schulte |
| Brewster | Evans | Kleberg | Shafer, Mich. |
| Buckley, N. Y. | Ferguson | Kunkel | Shannon |
| Camp | Fitzpatrick | Larrabee | Sheridan |
| Cannon, Mo. | Gamble | Lemke | Short |
| Cochran | Gearhart | McGranery | Steagall |
| Cummings | Gehrmann | Magnuson | Sweeney |
| Darrow | Gillie | Mansfield | Taylor |
| DeRouen | Hart | Martin, Ill. | White, Ohio |
| Dirksen | Harter, N. Y. | Merritt | Wolcott |
| Ditter | Hartley | O'Brien | Woodruff, Mich. |
| Dondero | Jacobsen | Robison, Ky. | |
| Douglas | Jarrett | Routzohn | |
| Drewry | Jenkins, Ohio | Sandager | |

The SPEAKER. On this roll, 369 Members have answered to their names, a quorum.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move to disperse with further proceedings under the call.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief excerpt by Drew and Allen from the weekly Merry-Go-Round of February 11, 1940, on the opponents of DIES and the war record of the gentleman from California [Mr. Izac].

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter which I have received.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial entitled "A Biased Tribunal," by T. L. Clark, editor of the Norwich Sun, of Norwich, N. Y.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

INCREASING LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of S. 3069, with Mr. PARSONS in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 5, after the word "loans", insert "to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934."

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LUCE. Mr. Chairman, yesterday afternoon the attendance was so small that many gentlemen may not have heard the argument. The debate was long and probably few have been able to read it in the RECORD. Therefore it may be of some service to gentlemen to sum up that argument and, as fairly as possible, lay before you the differences of opinion.

There developed no hostility to a loan to Finland. As far as I could see, the House was unanimous in wishing to help Finland. As to how we should do it, there developed a great diversity of opinion. At one extreme were those who thought we ought to make an outright gift to Finland. This, however, could not be done under the bill before you, concerning, as it does, only matters of trade. Such a proposal should be considered by the Committee on Foreign Affairs.

Next came those who think there should be a loan to Finland; that it should be made specifying Finland; that part of any additional funds to be lent by the Export-Import Bank should be designated as going to Finland. Against that is the consideration that we would be drawing a line between Finland and other countries who need funds just as much. We have already lent or committed ourselves for a loan to China of \$25,000,000, and it has asked for more. Certainly it would be grossly unfair to specify that we would lend to Finland and not say that we would lend to China. Sympathy for China is just as well-founded as that for Finland, and its need for help has continued now through more than 2 years without our recognizing it by a loan specified in any law.

Next may come occasion for loans to Norway and Sweden, to Denmark, Holland, Belgium, countries adjacent to Germany, and then to Rumania, Bulgaria, Turkey, and the Balkan States, within easy reach of Russia, and all the other countries threatened by the gigantic catastrophe of world-wide war.

If we were to proceed as the bill proposes—and we have now reached the dividing line between opinions—we rely upon the assurance of Mr. Jesse Jones that he expects to lend to Finland \$10,000,000 more at once, and then still another \$10,000,000 if warranted by the situation. Some gentlemen will say that Mr. Jones ought not to be trusted to exercise that authority. He is, in my judgment, the most capable man in the Government. He has administered a nonpartisan measure, conceived by Republicans, put into

further execution by Democrats, which has been the most successful of all our new administrative agencies, the Reconstruction Finance Corporation.

I recall having attended a conference at the White House in October of 1931, the most serious, the most solemn gathering it was ever my fortune to attend. There were present members of the legislative committees that would consider the proposals to be made; also the Secretary of the Treasury, the Vice President, all the men who were directly concerned, of both parties, to hear what the President had to say. Mr. Hoover told us that every bank in this country would close its doors inside of a fortnight if fear were not allayed by our promise to do four things, and we gave him that promise. Every Democrat and every Republican present joined in that promise. One of those things was the creation of what became the Reconstruction Finance Corporation, the most successful of all our administrative agencies, and most successful because wisely administered at the start by Republicans, and of late years by Jesse Jones. [Applause.]

It will be proposed here today that we ought to decide explicitly whether to lend money to Finland. Mr. Jones told us he had already lent to Finland \$10,000,000. I am wrong in saying "lent to Finland." I am using a term that I criticize soundly for being used by the press and by Members of this House in speaking of this as a Finnish bill. It is not a Finnish bill. It is a bill for China. It is a bill for Norway, which already has made application; it is a bill for Sweden, which has made application for far more than can be granted. It is a bill for any country that desires to buy goods in the United States. It is the foreign-trade law; the existing law, which does not discriminate, and should not discriminate, against any country on the earth that can qualify.

Calling it, then, a trading measure, we are told that we ought to specify in this legislation one country and omit all other countries. Surely that is unwise. Surely it is dangerous. Surely it invites belief on the part of the countries who are not favored, that the Congress of the United States has taken sides in this tragic quarrel. Taking sides means violating neutrality. If you pass these amendments today, it will be the first step toward war. Every man here can recall what happened in 1915 and 1916 when we were professing neutrality, when we were saying we would never go to war, when we were denouncing war, when we were electing a President on his pledge to keep us out of war. Within 6 months of his election we were in war. Every reasonable man here knows that every step we take toward war brings it nearer, that we will take other steps, that having favored one country we will favor another country until we make the fatal mistake of embroiling ourselves in this contest that threatens to destroy the civilization of Europe.

Let us keep out of this war. Let us remember that every such step we take, whatever it may be, every step is a step toward brutally ending the lives of possibly a million or more of our boys, the destruction of our property, perhaps the destruction of our form of government, all brought about through a course of affairs that so closely matches what went on in 1915 and 1916 that we again find history repeating itself, human nature ever the same, men at last yielding to their emotions, to their sentiments, to their passions, and risking all they have on one cast of the die. This is why I believe we ought to be cautious today, why we ought to take the middle ground. We ought not to do that to which I have referred.

We ought not to go to the other extreme, we ought not to dispense entirely with our opportunity to serve.

And here I would answer my good friend the gentleman from New York [Mr. FISH] in his declaration that we ought to keep out of all this sort of thing, that it is an extension of powers beyond the scope of the Constitution and beyond the needs of the moment. Sir, I have already said that the Reconstruction Finance Corporation, a lending agency of the Government, has been the most effective of all the agencies devised for meeting the conditions of the depression from which we suffer. We have in that agency not only the prece-

dent, we have there in its success the justification, we have there the showing for the necessity of some degree of centralized action and control.

We cannot meet the situation piecemeal, we cannot face it by State action. I yield to no man in objection to concentrating in Washington the powers that can and should be exercised by the States, but, sir, this is a power of the Nation to be used for the welfare of the Nation, that could not be used by the individual States or by any subdivision thereof. In this Chamber we the representatives of the people of the United States must act for the Nation. [Applause.] [Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the pending amendment?

Mr. WILLIAMS of Missouri. Not at this time, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey has offered an amendment to the amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KEAN to the committee amendment: On page 2, line 5, after the word "government" insert "which is in default in the payment of its obligations or any part thereof to any citizens of the United States, or."

The CHAIRMAN. The gentleman from New Jersey [Mr. KEAN] is recognized for 5 minutes.

Mr. KEAN. Mr. Chairman, this amendment provides that the Export-Import Bank shall not lend any money to any country which is in default to any citizen of the United States.

This amendment will apply chiefly to the South American countries which are 77 percent in default today. Mr. Chairman, I believe in being a good neighbor, but being a good neighbor does not mean that you have to be a sucker. If you are a good neighbor, you must have the respect of the people of the countries with which you are neighborly, and the people of South America today just think that we are fools. I want to read into the proceedings on this bill the record of some of the South American countries showing how they have handled their obligations to the citizens of the United States:

| Countries | Total | |
|-------------------------|---------------|--------------|
| | Outstanding | In default |
| Argentina..... | \$233,000,000 | \$20,000,000 |
| Bolivia..... | 60,000,000 | 60,000,000 |
| Brazil..... | 356,000,000 | 356,000,000 |
| Chile..... | 182,000,000 | 182,000,000 |
| Colombia..... | 146,000,000 | 146,000,000 |
| Costa Rica..... | 8,000,000 | 8,000,000 |
| Dominican Republic..... | 15,000,000 | 15,000,000 |
| Ecuador..... | 12,000,000 | 12,000,000 |
| El Salvador..... | 12,000,000 | 12,000,000 |
| Guatemala..... | 5,000,000 | 3,000,000 |
| Haiti..... | 8,000,000 | 8,000,000 |
| Mexico..... | 273,000,000 | 273,000,000 |
| Panama..... | 17,000,000 | 17,000,000 |
| Peru..... | 85,000,000 | 85,000,000 |
| Uruguay..... | 56,000,000 | 5,600,000 |

It will be said that this amendment is for the purpose of aiding the wicked Wall Street bankers; but you know as well as I that the bankers who bought these bonds sold them to the public. The bankers themselves do not hold any of the bonds now. None of the 26 big insurance companies which control most of the insurance in this country hold these bonds. None of the 100 biggest banks in the metropolitan areas hold these bonds. They have investment committees that study past records, and they knew that these South American bonds were not secure. I remember back about 15 years ago looking in the Encyclopedia Britannica when somebody asked me whether Colombia was a good investment, and under Finance, it stated in this encyclopedia that the chief record of Colombia in finance was one of defaults.

Where are these bonds held? They are scattered widely throughout the country, held by widows who, needing a little more income, were attracted by the 7-percent yield. They are held by small country banks; they are held by little-busi-

ness men throughout the country who put their small surplus into these bonds.

As a rule, these countries have not defaulted because of inability to pay, but just because they do not want to. In the case of Colombia, for instance, their favorable balance of trade over the past 8 years has been four times the interest requirements on their external debt during that period.

Mr. Chairman, I hope this amendment will be adopted that the Congress may show that it has not forgotten these people in their troubles.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the proposed amendment, presuming it is the same one the gentleman offered in the committee, if anyone in Finland should owe anyone in the United States and is in default, no loan could be made to Finland. This is a very far-reaching amendment and should be defeated. I am using Finland as an illustration. It would apply in the same way to other countries.

FARM RELIEF

There is no reason why we should convert this bill into a debt-collecting law, and it is not a bill for the purpose of collecting debts. This bill should be known as a farm-relief measure. It will help the farmer because it will make it possible for credit to be extended to people in other countries who will purchase surplus farm commodities in this country. It will also aid the manufacturers who have surplus goods to sell and who cannot sell them because credit is not available. This bill is for the purpose of aiding in the export of surplus farm commodities and surplus manufactured goods.

During the last week or two our genial and able chairman of the committee, the gentleman from Alabama, the Honorable HENRY STEAGALL, has not been well. During his absence, the next in order of rank has been serving as acting chairman, the gentleman from Missouri, the Honorable CLYDE WILLIAMS, and I want to now commend the gentleman from Missouri [Mr. WILLIAMS] for the splendid and fair way that he has handled this bill, both in the committee and in the House.

KEEP IT A NEUTRAL BILL

I hope it remains a bill for the purpose of exporting surplus commodities, farm products, and manufactured goods. If we keep it this way it will be a neutral bill. If we change it, as the gentleman from Massachusetts [Mr. GIFFORD] suggested yesterday, by directing or authorizing the Export-Import Bank to make a loan of a certain amount of money, \$20,000,000, to Finland, and take off any restriction whatsoever, and by law say that the loan shall be made for the purpose of permitting Finland to purchase arms, ammunition, and implements of war, we immediately take sides to the extent that we are furnishing one side of a war with arms, ammunition, and implements of war. We would be passing an unneutral bill. As to whether or not we should do that I shall not discuss here because I am not prepared to discuss it at this time and the Members of the House, I venture to say, are not in position to pass upon that great question.

We have not had any hearings on whether or not we should become involved in a war. That is a great big question. If you pass the Gifford amendment or authorize loans to be made to a country involved in war to enable that country specifically to purchase arms, ammunition, and implements of war in this country you are immediately becoming involved in that war. Possibly we will become involved, although I certainly hope we will not. Possibly it is right that we should, but I hope that will never be. If we do, let us do it deliberately and directly after full, clear, and deliberate consideration and after we have had testimony from all the people who should be heard and who can give us information that will enable us to pass upon that serious question.

KEEP WAR QUESTION OUT OF THIS BILL

Mr. Chairman, I hope the committee votes down the amendment offered by the gentleman from New Jersey [Mr. KEAN],

because it is not a reasonable amendment. It gets us into the debt-collecting business. If the gentleman's amendment should prevail many corporations and individuals would be able to collect foreign bonds, 100 cents on the dollar, with interest, when they paid only a few cents on the dollar for them. I am not willing to use an act of Congress for that purpose.

I hope we will keep this an export bill and keep all Finnish questions or war questions out of it. Let us have the courage at the proper time to approach the question directly and not incidentally.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall speak in favor of the pending amendment, because I intended to offer one very similar to that which the gentleman from New Jersey [Mr. KEAN] has offered. If I understood the gentleman from Texas correctly, he made application of this amendment to individual citizens of Finland, which does not hold true under the amendment offered, because it refers to governments, not to their nationals, and I think that should be clearly understood by those who are now on the floor.

Mr. Chairman, this is a bill having to do with the Export-Import Bank and not the Reconstruction Finance Corporation. I am opposed to the bill as it comes to the House in its present form. We should keep in mind that these loans are to be made to western European countries and to Latin American countries. If you want to get an idea of what is going on in Latin America, keep in mind that there are about 123,000,000 people in those countries to the south of us as against approximately 11,000,000 people in Canada.

FINANCING THE PRODIGAL

The Roosevelt administration has repeatedly favored the making of loans by governmental agencies to Latin American countries. The Export-Import Bank already has made a number of such loans. Credits for currency stabilization and other purposes by the Reconstruction Finance Corporation and the Exchange Stabilization Fund have been discussed in official circles time and again. The new Inter-American Bank is expected to fill the gap so that defaulting countries like Mexico can borrow.

The American public is not fully aware of the implications of such a policy of Government loans to Latin America. It has been lulled into a false sense of confidence that the lending of Government money is a desirable way, as in the cases of Finland and China, and also that it is a way to expand our export trade. The public has been misled into believing that it is better for the Government to make such loans than for private investors to buy bonds that are likely to go into default subsequently.

What the American public has not been told clearly is that the true alternative is not between Government loans and the sale of bonds to private investors, but rather between Government loans and the direct investment of capital by American enterprise in Latin American countries. If private capital, as in the case of Mexico, is unsafe, how can public funds be any better secured? The sale of Latin American Government bonds to private investors in this country is unlikely to assume important proportions for a long time to come. Can any justification be shown for public loans?

Whatever we think about domestic pump priming, we must recognize that indiscriminate international pump priming does much more harm than good. It has a misleading effect upon the countries that are supposed to be benefited. This is true since it causes governments like Mexico and Bolivia to conclude mistakenly that they do not need to treat private American investments fairly and equitably. That is a disease no one should help spread. The spectacle of the United States Government, directly, or through its agencies as the Export-Import Bank, making loans to countries that have not been scrupulous about the way in which they have treated American rights and property encourages the adoption of confiscatory policies generally. And if these are adopted

generally international anarchy will result and national law and order will be threatened.

Mexico is an example. That country has been encouraged to go her communistic way, seizing American property without payment. She has taken the railroads, oil properties, farm and ranch lands, and mines developed by American enterprise and capital, because she has been substantially financed by an indirect method of international pump priming emanating out of Washington through silver purchases. But Mexico no longer benefits from that rich flow of American capital into direct investments. Nor does Mexico longer enjoy the cooperation of American enterprise which has done so much to develop her resources. Nevertheless, she has been led to think that she can make up for the loss of such capital by inducing the United States to buy her silver production at a fictitious price set by our Treasury. Now, Mexico proposes to borrow money from United States Government agencies, and if this fails then to aid in creating an Inter-American Bank from which to borrow—and not pay.

But pump priming through silver purchases and paltry loans can never take the place of large-scale private investments. Direct investments by American citizens in Mexico alone have aggregated almost a billion dollars. It is entirely misleading to think of American direct investments in Latin America merely in terms of dollars and cents. Even more important are the technology, the initiative, the skill, and the managerial ability that a country imports, along with capital, when it receives foreign investments in its enterprises and resources.

When an American company invests money in producing, refining, or marketing facilities, for example, it makes available in connection with this investment, its skilled organization, its wealth of practical experience and knowledge in the industry, and the guidance of its management. It creates jobs, increases wages, raises the standard of living, and creates a great body of skilled workmen out of day laborers. How can Government loans which largely provide trade credits or for nonproductive Government construction possibly take the place of direct investments under such conditions?

The outstanding example of what private capital can accomplish is furnished by Canada. That country has received almost \$7,000,000,000 of direct investments from abroad. As a result, her standard of living is one of the highest in the world. The great investments made by the United States in Canada, furthermore, have brought us a rich return in the shape of our huge trade with her.

In fact, no better illustration could be found of the theory that foreign trade follows foreign investments than in the trade relations of the United States with Canada. American direct investments in Canada today are estimated at about \$1,700,000,000, and although Canada has a comparatively small population of 11,000,000 people, she comes second only to Great Britain in the purchase of manufactured American goods. Canada has not been exploited by these foreign investments. On the contrary, she has maintained her independence and at the same time has prospered as have none of those nations which discourage or hamstring foreign investments, which were made for the purpose of helping convert their natural resources to productive use.

One other interesting point is that our trade with Canada as well as our investments in Canada are both large. It also is interesting to note that by contrast Latin America, with 123,000,000 people, takes but little more of United States exports than does Canada with only 11,000,000 people. Commerce Department figures show that in 1938 we shipped 18.2 percent of our export products to Latin America and 15.1 percent to Canada in that same year. These figures are all the more revealing when compared on a per capita basis. They show, for example, that for every dollar's worth of goods sold by the United States to Latin Americans \$10 worth are sold to Canadians, despite the fact that the total amount of American direct investments in Latin America taken as a whole are two times greater than are American investments in Canada.

It seems clear to us that the development of natural resources, the building of railways, and factories, and public utilities, and other kinds of productive enterprises will benefit greatly the countries in which the investments are made. This is inevitably true because such investments create new productive wealth; new productive wealth in turn creates and stimulates trade. Government loans whether direct or indirect will not do this.

I could go a step further on this. Mr. Jones, Chairman of the Reconstruction Finance Corporation, in testifying in connection with the Export-Import Bank capital, made the statement:

I do not think we would ever need more than \$125,000,000.

That is in House hearings on H. R. 2011 and H. R. 4012. Why do they need additional capital? Because they have shifted the purpose of the Export-Import Bank and they are now making foreign-policy loans. What do I mean by foreign-policy loans? I mean loans such as made to China which indicated by making the loan to China that we hold Japan as the aggressor. Why did we make the loans to Brazil? To shake loose the Brazilian currency. Let me quote something in reference to Brazilian exchange. Mr. Eugene P. Thomas, president of the National Foreign Trade Council, stated:

With the favorable balance of trade of only about \$15,000,000 in 1938, it became necessary for Brazil to delay for periods ranging from 2 months to 6 months the dollar remittances to American exporters and of earnings for a considerably longer period.

Thus we can see the loans were made to help Brazil directly. Are we to bail them out every time they have difficulty in obtaining foreign exchange? Just how far are we going with this Export-Import Bank in the way of making policy loans? Just 4 months ago, Congress decided that \$100,000,000 was sufficient for its capital. This was done for many obvious reasons. In the first place, the need for the bank is diminishing. There is a huge excess of credit in existing channels and private banking firms have shown increased interest in the types of loans made by the bank. This is shown by the fact that an increasing number of loans authorized by the Export-Import Bank were not used, because the exporters were able to obtain private credit. In the second place, Congress had no desire to overextend the credit of the United States Government in foreign transactions. Bitter experience in the World War dictated this course. In the third place, \$100,000,000 was considered to be the maximum amount which could profitably be used by the bank toward promoting recovery. We are shadow-boxing here. These loans are not being made primarily for the purpose of exporting agricultural surpluses. I do not fall for any such piffle. There is a bigger motive behind this. If you will read my remarks of yesterday afternoon and study the evidence I put into the RECORD, you will find more in connection with this so-called Latin American shift.

The nature of the loans now being negotiated would indicate that the President desires to alter the intent of Congress by forcing the Export-Import Bank to make foreign-policy loans. I again refer to our reason for making the Chinese loan. And how about the Brazilian loan, where we feared Nazi penetration? Is the bank now to be made a very important arm of our Government and is it to be used for the purpose of a back-door foreign-policy-making agency of government? Doubling the capital structure of the bank does not, in my judgment, increase the welfare of our people or materially add to recovery in the United States. We have no further right to tax our people to carry on such operations. We have before us the experience of our World War foreign-policy loans.

Mr. Chairman, I am in favor of this amendment and hope it will be supported. [Applause.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. KEAN] to the committee amendment.

The question was taken; and on a division (demanded by Mr. KEAN) there were—ayes 86, noes 135.

So the amendment to the committee amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE to the committee amendment: On page 2, line 5, after the word "Government", insert the words "or any agencies or nationals thereof."

Mr. KEEFE. Mr. Chairman, the proviso beginning in line 4 of page 2 of the pending bill is apparently an attempt to restrict the operation of the so-called Johnson Act. The Johnson Act in section 2 specifically exempts from its provisions an institution or organization such as the Export-Import Bank. If I understand this committee amendment correctly, it is for the purpose of restricting the activities of the Export-Import Bank so that under this present situation it cannot loan money to those governments that are in default on their loans, and thus constitutes an amendment to the Johnson Act to that extent.

I wish to direct your attention to the fact that in line 7 of this bill appears the first proviso, which states:

Provided further, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof * * * shall not exceed \$20,000,000.

It is apparent that as to that provision there was an attempt to restrict the amount of the loans that could be made to any foreign country and the agencies and nationals thereof. I have wondered why this same language has not appeared in the second proviso, which is an attempt to limit the authority of the Export-Import Bank. The fact is that it is perfectly clear that without including the words I have provided in my amendment, namely, "the agencies and nationals thereof," the Export-Import Bank could make a loan to an agency of any country set up in this country just exactly as has been made to Finland and China through the medium of agencies already set up here. Such a loan would not be one to the Government of Finland or to the Government of China or to the Government of England or the Government of France. It would be a loan to an independent corporation established here by those governments. Therefore, it seems to me, the restriction that is attempted to be provided in this proviso is not effective.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield to me? I am a member of the committee.

Mr. KEEFE. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I am very pleased the gentleman has offered this amendment. As far as I can see from the evidence given in the hearings there is not one single loan that would be affected by the committee amendment without the addition of the amendment offered by the gentleman.

Mr. KEEFE. I thank the gentlewoman.

If you will look at page 13 of the hearings you will see that Jesse Jones describes the manner of making these loans. For instance, in connection with the \$10,000,000 loan to Finland a Finnish corporation was established, and in the case of the loan to China the Universal Trading Corporation was set up. These are corporations formed in this country. The loan is not made to the Government of Finland or to the Government of China but to these trading companies, and the loan is guaranteed by the Government of Finland in one case and the Bank of China in the other case.

I should like to ask this committee whether, if this bill passes in its present form, there is anything to prevent England from forming a trading corporation in this country and the Export-Import Bank making a loan to that corporation; and would not the same thing be true in the case of France? I have offered this amendment for the purpose of using exactly the same language in the second proviso that is found in the first one, and to make it clear that the intent of the Congress is that the Government of the United States through the medium of the Export-Import Bank shall make no loans either direct to a government or to any agency established by a government that is in default to this country on its loans. I should like to ask the acting chairman of the committee if he would be kind enough to answer my question at this time.

Mr. WILLIAMS of Missouri. I beg the gentleman's pardon. I did not understand the question.

Mr. KEEFE. The question is, If this bill passes in its present form, cannot the Government of England establish an agency in this country just as Finland did and just as China did, and the Export-Import Bank thus indirectly make a loan to a government that is in default, a loan which the Johnson Act would prohibit, perhaps, directly?

Mr. WILLIAMS of Missouri. I may say to the gentleman there is only one loan on record that is anyway near a loan to a government, and that is the loan to Finland. In that case the Finnish Government guarantees the loan. The loan itself is not made to the Finnish Government.

Mr. KEEFE. I understand that.

Mr. WILLIAMS of Missouri. But in that case, I would say that the loan could not be made where the ultimate responsibility for the payment of it was on the Government, under the language of the act as it is.

Mr. KEEFE. The justification for the loan to China when the loan was guaranteed by the Bank of China was that the Chinese Government was the Bank of China.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes in order that we may have more discussion on this very important question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MICHENER and Mr. SCHAFER of Wisconsin rose.

Mr. KEEFE. I will yield in just a moment.

In answer to the question of the gentleman, may I say that the justification of the loan to the Universal Trading Corporation was that that corporation obligation was guaranteed by the Bank of China.

The justification for the Bank of China guaranteeing the loan was that the stock in the Bank of China was largely owned by the Chinese Government. Therefore the justification of the loan itself was that the Chinese Government was behind it.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. MICHENER. Answering the question directly, which the gentleman asked of the acting chairman of the committee, it was stated before the Rules Committee the other day by the acting chairman of the committee, as I remember, that when the Export-Import Bank was set up in the first instance, the express purpose was to be able to loan to Russia at that time and thus get around the Johnson Act. It seems to me that is a square answer to the question.

Mr. WILLIAMS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the chairman of the committee.

Mr. WILLIAMS of Missouri. The gentleman from Michigan is certainly mistaken about what I said and about what the fact is. It is true that the Johnson Act does not cover the Export-Import Bank, but the Export-Import Bank was set up and in existence at the time the Johnson Act was passed.

Mr. KEEFE. Now, I would like a direct answer by the chairman of the committee to my question, which has not as yet been answered. Let me ask it again. Under the provisions of this law as it now stands, whether you have made a loan heretofore or not, is it not legally possible, if this bill passes in its present form, that the Governments of England and France can set up a trading corporation in this country and that the Export-Import Bank could then loan to that trading corporation, the stock of which may be owned by the Governments of England and France, and thus make indirectly a loan to those two governments that are in default on their previous loans, and accomplish indirectly what the Johnson Act specifically prohibits?

Mr. WILLIAMS of Missouri. I do not think so. I think the act, as amended, will cover the very situation the gentleman speaks of. The author of that amendment, perhaps, can answer better than I can, but that is not my interpreta-

tion of it. The Government itself cannot set up a corporation Government-owned and secure a loan. Of course, any kind of loan can be made to the nationals or, perhaps, some agency, but if it is a government agency, owned and operated by the government, I would say not.

Mr. KEEFE. Now, just a moment. The testimony very definitely shows on page 13, when Mr. Jones was testifying about this loan to Finland, that the Finnish Government itself guarantees that loan or guarantees the loan of this Finnish trading corporation, which is established as a local corporation in the United States, so that it is, in effect, so far as the guaranty of the loan is concerned, a loan to the Finnish Government.

Mr. WILLIAMS of Missouri. That is all right, but the Finnish Government is not in default.

Mr. KEEFE. But the same thing is true as to China, and I am asking you whether the same thing is not possible under this law.

Mr. WILLIAMS of Missouri. China is not in default either, but in my opinion the Chinese loan—and I think this is the opinion of the Administrator—is not a loan to the government.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Soviet Russia is in default almost \$1,000,000,000, and without the gentleman's amendment the Amtorg Trading Corporation could obtain loans from our almost bankrupt Federal Treasury through the Export-Import Bank to purchase war supplies, munitions, and implements of war.

Mr. KEEFE. That is exactly the situation I have in mind in offering this amendment—to prohibit by indirection a thing which cannot be done directly.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kentucky.

Mr. MAY. Is not an answer to the gentleman's question the fact that this is a mere resolution that makes no attempt to repeal the Johnson Act, which applies only to debtor nations that owe us and refuse to pay us?

Mr. KEEFE. I do not know what the gentleman means when he says it is "a mere resolution" and does not mean anything.

Mr. MAY. It does not repeal the Johnson Act.

Mr. KEEFE. The fact is that this is an attempt on the part of the Congress, in the second proviso, to place a restriction upon the activities of the Export-Import Bank under the Johnson law.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. BARRY. I believe the gentleman's amendment would only increase or extend the committee amendment; and the question the gentleman asked of the gentleman from Missouri [Mr. WILLIAMS], I think, brings up the question of principal and agent, and if by subterfuge the Government establishes such an agency, all we have to do is to determine that fact. In my opinion, all the gentleman's amendment does is to extend the amendment to the nationals of a country. Does the gentleman want the provision to apply to every individual businessman?

Mr. KEEFE. Why do you use the limitation in the preceding proviso?

Mr. BARRY. I had nothing to do with that.

Mr. KEEFE. That is just the point. Somebody has something to do with one thing and somebody has something to do with another; and I am here as a Member of Congress compelled to vote on this matter, and I am seeking information that will be intelligent, and I have not been able to get it yet.

[Here the gavel fell.]

Mr. GORE. Mr. Chairman, I arise in opposition to the amendment. I am sure the gentleman's amendment goes a good deal further than he intends it to go. For instance, as it reads, the Export-Import Bank of Washington shall not make any loans to any government or nationals or agencies

thereof which was in default. There is a wide difference between a government and an agency of a government. For instance, would you consider the Federal Reserve bank an agency of the Federal Government? Would you consider the Bank of Brazil an agency of the Brazilian Government?

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. GORE. Not now. It has been said that a loan made to a government which was in default is as good as a loan made to an agency thereof. There is a wide difference. A government can default, and continue to be a nation and continue to be a people, but the Bank of Brazil, for instance, can default only by closing its doors. By the language of the proposed amendment you could not make a loan to a national, a person, a corporation, or an agency in any country which is in default. I do not believe the gentleman wants to go that far.

Let me point out the operation of the bank as it relates to South America. Of the \$120,000,000 loaned by the bank, \$65,000,000 have been to Latin American trade. Last year 62 percent of the commitments of the bank were to South America, and mind you, not a single default has been made in any loans, and not one is behind the schedule in payment. The war in Europe and the conflict in the Orient increases the importance of the South American trade. Bids which were originally awarded to European manufacturers have been canceled and American manufacturers are getting those bids, and they are looking to this bank for encouragement and assistance to make the loans in order to meet the requirements of long-term amortization. During the last 4 months of 1939 there was a 42-percent increase in our shipments to South America. I concur in the gentleman's hope that a loan will not be made to a government which is in default, and such a loan cannot be made under the terms of this bill, but I cannot go to the extent of shutting off the benefits of this bank to American manufacturers and exporters, farmers, and laborers.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. KEEFE. I think the gentleman has an entire misconception of the situation.

Mr. GORE. I might say that that is a matter of opinion.

Mr. KEEFE. Oh, no; I think the gentleman will concede the situation when he understand the facts. This amendment does not touch South America at all, because the fact is, as I understand it, that the South American governments are in default on a lot of bonds, but not in default on direct loans made by this Government to South America. Consequently this amendment does not touch South America and refers only to those governments of Europe who took from this country during the World War direct loans out of the Treasury of the United States. It does not refer to South American countries at all.

Mr. GORE. The gentleman is correct insofar as to present application to South America is concerned, but a goodly portion of the world would be excluded by the gentleman's amendment.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. BARRY. The only countries affected by this are Belgium, Czechoslovakia, Estonia, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, the Soviet Union, and Yugoslavia.

Mr. GORE. The gentleman is correct, and I thank him. The gentleman from Wisconsin does not contend that the operation of the act will be always just as it is now? He does not contend that the obligations of other governments will remain just as they are now?

Is it an indication that a British textile manufacturer would not meet his obligations on a purchase of American cotton because his Government is in default on a World War loan? Must the Export Bank be restricted and prevented from assisting exports of American products to this large portion of the world? Can it be said that no person or company in all these countries, or countries which may come within the purview of the amendment, is eligible

for credit? Would the gentleman deprive the American farmer, manufacturer, laborer, and exporter to these vast markets of the benefits of the Export-Import Bank?

Mr. KEEFE rose.

Mr. GORE. I decline to yield further. The gentleman's purpose is no doubt good, but the effect of his amendment is contrary to the interests of our Nation, and I hope it will be defeated.

Mr. BARRY. Mr. Chairman, I move to strike out the last two words. The purpose of the committee amendment is merely to make the terms of the Johnson Act apply to the authorization under this bill. In other words, to the countries I just mentioned when I interrupted the gentleman from Tennessee [Mr. GORE]. Not one of them is in Latin America. It was discovered during the hearings by some Members that the Johnson Act specifically exempted corporations in which the Government had a controlling stock interest.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. Yes.

Mr. GORE. Under the provisions of the amendment of the gentleman from Wisconsin, could an agency of Great Britain, no matter how sound its record of financial transactions might be, borrow any money from the Export-Import Bank for the purchase of American cotton or any other farm products?

Mr. BARRY. It could not under the terms of the amendment of the gentleman from Wisconsin.

Mr. SHANLEY. Does the gentleman mean that—under the provisions of the gentleman's amendment?

Mr. BARRY. Not under my amendment, but under the provisions of the amendment of the gentleman from Wisconsin [Mr. KEEFE], you cannot make a loan to any national of any of the countries or any of the countries affected by the Johnson Act.

Mr. SHANLEY. That is all right.

Mr. BARRY. I believe that in those countries, nationals, businessmen, who have no connection with the government whatever, might want to conduct an export-import trade with this country. Their business establishments may be sound, and it might be to the welfare of this country to exchange commodities with them as individuals. I do, however, accept that part of the gentleman's amendment which specifies any subdivision or agency of a government.

Mr. KEEFE. Will the gentleman yield at that point?

Mr. BARRY. I yield.

Mr. KEEFE. It is a fact, is it not, that in drafting this amendment to the pending resolution you had in mind placing a restriction upon the Johnson Act?

Mr. BARRY. Placing a restriction on the Export-Import Bank.

Mr. KEEFE. Under the Johnson Act?

Mr. BARRY. Yes; and the reason for that is because I think there is a tendency to make the Export-Import Bank an arm of our foreign policy on the part of some people. Let me tell you this: Jesse Jones testified that he never made such a loan and never would, but my fear is that Jesse Jones may not always be head of the Export-Import Bank.

Mr. KEEFE. That is exactly the situation. Now, will the gentleman answer this: If this resolution passes in its present form, England could set up a buying agency in this country, could she not?

Mr. BARRY. I do not believe that is true. I believe that such an act would be a subterfuge and it would be merely establishing an agency, and the principal is responsible for his agent.

Mr. KEEFE. Why do you call it a subterfuge when, under the Johnson Act, the Export-Import Bank is specifically exempted, and were it not for the adoption of this proviso, the Export-Import Bank could make loans to England now?

Mr. BARRY. That is right.

Mr. KEEFE. There would not be any subterfuge about it.

Mr. BARRY. My only complaint with the gentleman's amendment is that it is too embracing. It takes in individual

businessmen who have no connection with governments of countries affected by the Johnson Act.

Mr. KEEFE. Would the gentleman be satisfied with the amendment provided we struck out the word "nationals" and left it so that it included agencies?

Mr. BARRY. Yes; I would be perfectly satisfied with it. However, I am only speaking as an individual and not for the committee.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. KEAN. I believe the Neutrality Act covers this matter entirely. Section 7 of the Neutrality Act says:

That when a proclamation has been issued no money may be loaned to any such government, political subdivision, or person.

I think that covers it completely.

Mr. BARRY. The Neutrality Act does not apply to all countries affected by the Johnson Act.

Mr. SHANLEY. Will the gentleman look at the definition of "person" in the definitions, section 16 of the Neutrality Act?

The CHAIRMAN. The time of the gentleman from New York has expired.

Miss SUMNER of Illinois. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentlewoman from Illinois is recognized for 5 minutes. [Applause.]

Mr. KEEFE. Mr. Chairman, will the gentlewoman yield for a unanimous-consent request?

Miss SUMNER of Illinois. I yield.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that in the amendment under consideration the word "nationals" may be stricken from the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. CELLER. Mr. Chairman, reserving the right to object, may we have the amendment read as amended?

The CHAIRMAN. Without objection, the Clerk will report the amendment as amended by the request of the gentleman from Wisconsin.

Mr. KELLER. Mr. Chairman, we want it read as it is.

The CHAIRMAN. The Clerk will report the amendment as is.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. KEEFE: Page 2, line 5, after the word "government", insert "or any agencies or nationals thereof."

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to withdraw from the amendment the word "nationals." Is there objection?

Mr. KELLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The lady from Illinois is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, the question is whether you want the Johnson Act, which has been passed by this Congress, to apply to the Export-Import Bank. That is the only question, because the gentleman from Wisconsin [Mr. KEEFE] has stated that his amendment is phrased in the exact phraseology of the Johnson Act.

As has been pointed out, there have been no loans made by the Export-Import Bank to foreign governments. All loans have been made to agencies of foreign governments. You will find from examination of the testimony that the Export-Import Bank can loan money to England or any other country in default to the United States, through its agencies in this country. It is deterred only by the word of Mr. Jesse Jones, the head of the lending department, and his policy.

Mr. Jesse Jones may not live forever. I dislike to see the able men of this Congress depending too much upon the discretion of one single man. As you know, I am an old maid. I do not have anything against any man. [Laughter and applause.] Mr. Jesse Jones is an able administrator, but my objection to this bill is that while we did have short consideration of the proposition to extend the capital of the Export-Import Bank in the spring, the whole situation has been changed since then by the war. This bill, which doubles the capital of that great bank, was only considered for 2 or 3 short days, and all of the talk was about Finland.

Now, with regard to this amendment; is it not just another reiteration of this Johnson policy that the able gentleman from Wisconsin wishes to defend, wishes to perpetuate and apply to all the departments and agencies of our Government?

Why is it that you are here today befriending Finland? Is it not because our country gave its men and money for the benefit of other nations when they were in need? Then, alas, we needed bill collectors. America needed that some reminder be given to other nations of the world that honor among nations should exist; that debts owed to the people of the United States should be paid. Again and again little Finland stepped up and rang the cash register in a way that was heard around the world. This is the only reason that you feel that you owe her anything, because she served the welfare of the United States. If Finland should cease to exist, we have nothing left but the Johnson Act to remind the people of the world that they cannot mistreat our people; that they should have enough honor to repay their obligations to America. For this reason I believe this is a very important amendment. I think we should remind the peoples of the world again and again that they should honor themselves by honoring their obligations to the people of America.

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman from Illinois yield for a question?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. Can the gentlewoman inform the Committee how many Members appeared on this bill before the Committee on Banking and Currency?

Miss SUMNER of Illinois. We had Mr. Hackworth, representing the State Department, advising concerning neutrality. We had Mr. Jones. I recall no other witness except the one witness who appeared on the subject of commercial as opposed to military airplanes.

Mr. CRAWFORD. And he spoke only about 5 minutes.

Miss SUMNER of Illinois. Yes.

Mr. CRAWFORD. This is a duplication of the spend-lend bill, where nobody appeared except Government administrators and representatives of Government bureaus. We are writing the policies of the Government of the United States with only bureau heads and administrators appearing.

Miss SUMNER of Illinois. If the gentleman will recall, there were only 20 pages of testimony in the hearings on the spend-lend bill, and I believe the hearings took only a part of one afternoon. The only witness was Mr. Jesse Jones, that able witness, if I am any judge of witnesses, who can twist Congressmen around his finger just like that [indicating]. [Applause and laughter.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the Johnson Act expressly excluded governmental agencies from its provisions, and I think there was a very definite reason for this exclusion. At the time the Johnson Act was passed the people of the United States were being flooded with spurious, worthless securities of foreign governments. They had no knowledge of the worthlessness of those securities. They were subject to the imposition and fraud of the salesmen who attempted to sell these securities to the unsuspecting people of the United States.

In the Johnson Act an exemption was made of agencies of the Government. As used in the Johnson Act the term "person" includes individual, partnership, corporation, or association other than a public corporation created pursuant to the special authorization of Congress, or a corporation in which the Government of the United States has or exercises a controlling interest through stock ownership or otherwise. The presumption was clear that the agencies of the United States would conform to the foreign policy of the United States. The presumption was clear that the agencies of the United States knew the character of the foreign securities that were being floated in this country and knew the character of the foreign securities it might purchase; and, therefore, the agencies of the United States were exempted from the provisions of this act. I believe you will discover

that if you will read the report of the committee that reported that bill.

In the report of the committee it is assigned as one of the reasons for the adoption of this provision that it was to stop the floating of the spurious, worthless securities to the people of the United States who had no knowledge of their worthlessness. Now, to carry out that very assumption, that the agencies of the United States will conform to the foreign policy of the United States, I may cite the testimony of Mr. Jones. Mr. Jones said in the administration of the affairs of the Export-Import Bank that he would conform to the Johnson Act; that he would conform to international law; that he would conform to the neutrality declaration of the President of the United States; and that he would carry out what he thought were the wishes of the Government of the United States. If we give to this agency that credit the original drafters of the Johnson Act gave them, there is no reason to have any amendment in the bill, and it is my impression that any amendment but ties the hands of these administrators of this great agency of the United States. I did, however, vote for the amendment of the gentleman from New York [Mr. BARRY], because I thought it would be harmless; but, as Mr. Jones said, he would conform to all of the requirements of international law and all of the policies adopted by the United States, it is entirely ineffectual.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KELLER. Would not any other official in Mr. Jones' place do exactly the same thing?

Mr. SPENCE. Certainly. The agencies of the United States are going to carry out the policy of the United States; and it is safe to assume that we do not need any limitations or restrictions such as this around the conduct of this great agency.

Mr. KELLER. As a matter of fact, if a loan is made to an authorized agent, is it not made to the principal?

Mr. SPENCE. Absolutely, and they take that into consideration in making loans.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CELLER. A number of loans are made to provinces and other political subdivisions of South American countries. Many such subdivisions or countries have already applied for loans to the Export-Import Bank. Would not the amendment have some effect, directly or indirectly, upon the application to these countries?

Mr. SPENCE. Absolutely.

Mr. CELLER. Loans which have already been authorized by the Export-Import Bank?

Mr. SPENCE. It would tie the hands and destroy the judgment of Jesse Jones and the board of directors of the Export-Import Bank. I believe this agency is in very safe hands, and we can rely on their judgments.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. GORE. If the amendment were adopted even with the word "nationals" stricken out, would there not be endless trouble in the interpretation of the word "agency"?

Mr. SPENCE. Of course, there would be, and it would tie the hands of one of the best administrators in the United States or anywhere else.

Mr. GORE. Is it not true that even though the Government owned a very small percent of the capital stock of a corporation within that country, it might be considered as an agency?

Mr. SPENCE. You cannot conceive of the ramifications of the doubts and the troubles that might arise from this amendment.

Mr. KEEFE. Will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. You have the very same language in the first proviso.

Mr. SPENCE. Well, I was not very much in favor of that proviso when it was put in the bill.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise to strike out the last four words.

Mr. Chairman, I was astonished at the attempt of the chairman of my committee to dodge the question asked by the gentleman from Michigan [Mr. MICHENER]. On page 27 of the hearings Jesse Jones stated that the present Export-Import Bank was organized to facilitate trade between this country and Russia at the time the Soviet Union was recognized. Let there be no mistake about that. Legislation has been enacted to get around the Johnson Act. Now, we are trying to remedy this, and include all nations in default to our Government. Perhaps they should be included.

Mr. WILLIAMS of Missouri. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Missouri.

Mr. WILLIAMS of Missouri. I certainly insist that the bank was organized first, and the Johnson Act was passed afterward.

Mr. GIFFORD. I read what Jesse Jones said.

Mr. WILLIAMS of Missouri. The bank was not organized to get around the Johnson Act.

Mr. GIFFORD. All right. We can each put our own interpretation on that.

Mr. WILLIAMS of Missouri. The act was passed undoubtedly to give the bank authority to carry on an export trade with Russia.

Mr. GIFFORD. Very well. I have read to you the authority for the first Export-Import Bank which was formed to facilitate trade with nations that could not otherwise make satisfactory exchanges. They made certain exchanges until they could later find money to settle the accounts.

Oh, times have changed. Read this bill. It simply says you cannot lend to nations which owe our Government money, but no matter how much such foreign governments may owe our nationals they are not excepted. You may have a pocketful of Government securities that were unloaded on you by these big houses in New York about which you complain so often, the so-called international bankers; yet you are loaded up with such securities, you are perfectly willing to let these countries borrow more. That is what the Keefe amendment is trying to remedy here. Some of you who have paper of that sort may sympathize with him. Mr. Jones said he would favor the Export-Import Bank lending Japan money, or to loan somebody here the money with which to buy scrap iron to send to Japan. That situation is not being remedied; it is a situation of cowardice. Questions of policy are creeping in, indeed. What is the plan here? To allow our people to sell their goods abroad and take whatever security they can get. Jesse Jones will lend the money. You sell the goods; they merely take your note, though they will also ask you what security you have. Is the Government endorsing the note? Is the Government actually the one that is to be ultimately responsible, as the gentleman from Missouri [Mr. WILLIAMS] tells you?

I think the poor fellow who gave the original note, after exhausting his ability to get the money from the Government or bank in a foreign country would find that the Export-Import Bank would, as a last resort, take it away from our own national who made the original application. That is, if he has anything. There is too much confusion about this. It is beyond my power, perhaps, to make it plain, but someone should.

Mr. MICHENER. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. There may be one exception to the position I stated awhile ago and which has been confirmed by the gentleman from Massachusetts. That would be if the whole procedure was modified by the Neutrality Act, and where the President has found that a state of war exists. It might then be impossible to lend to any person, corporation, or association, but it would not prevent lending directly to Russia, for instance, because the President has not found that Russia is at war.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the committee amendment.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 69, noes 98.

Mr. KEEFE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. KEEFE and Mr. WILLIAMS of Missouri to act as tellers.

The Committee again divided; and the tellers reported—ayes 95 noes 128.

So the amendment to the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word. I do not know what condition this bill will be in by the time it reaches a final vote, but I am extremely disturbed over its consequences.

Down in my old settlement once there lived an old Negro whose nose was as flat as if it had been run over by a steam roller. One day a white man said to him, "Uncle John, why do you suppose the Lord made your nose so flat?" Uncle John replied, "Captain, I don't know, less'n it was so I could keep it out'n other folks' business."

Mr. Chairman, I am afraid that we are not keeping our noses out of the other fellow's business. Every man in this House knows that I am anti-Communist, and I did not become that way because of the invasion of Finland. I became that way because of their insidious invasion of the United States and their traitorous attempts to overthrow my own Government.

Everybody who knows me, knows that I am in sympathy with bleeding Finland. I was in sympathy with bleeding Czechoslovakia. I was in sympathy with bleeding Poland, and with bleeding Manchukuo, and I am in sympathy with bleeding China. I was in sympathy with bleeding Ethiopia. But we cannot begin to send America's money, which ultimately means sending American men into every nook and corner of the world that is threatened with war or revolution. I am afraid that we are treading upon dangerous ground. Like the distinguished gentleman from Connecticut [Mr. SHANLEY], I have promised the people I represent, every time they have ever elected me, that there were two things I would oppose. One of them was entangling alliances with foreign powers, and the other was getting mixed up in some other country's war.

Those are the dangers I see here, and today when our farmers are begging for farm parity prices, when we have millions of people out of work, when home owners are having their homes foreclosed and lands are being sold under the hammer, it is a serious proposition when you ask a Member of Congress to vote to extend credit which probably means entrance into a foreign war, when we should devote our energy toward protecting our own people and protecting our own shores.

I will vote for every dollar that is necessary to forever keep enemies off American soil. I am in sympathy with those individuals who are contributing to the cause of these people, and I sincerely trust that Finland may win this war, but I am not willing to take a step that I fear will plunge my country into another holocaust of destruction, probably costing millions of men and billions of dollars and losing what few friends we have abroad, and then having us called Shylocks again when it is over.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. SOUTH. The gentleman knows that Finland did not regard us as a Shylock.

Mr. RANKIN. Finland did not; other nations we befriended did. Beside, if we get into war on behalf of Finland, it will probably spread, and we will have on our shoulders the burden of both the present European conflicts. Not only that, but if we were to get into war with a foreign power I seriously doubt if we would have a foreign friend come to our assistance. I seriously doubt if there is another country under the sun that would come to our assistance. America must look out for her own, and I am afraid that we are treading on dangerous ground by the passage of this bill. [Applause.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the pro forma amendment. I rise in support of this bill to make

possible loans to Finland for certain necessary commodities. This bill was passed by the Senate and has been very carefully considered by the House Committee on Banking and Currency. I am sure that most of us will agree that the action of the Rules Committee in limiting debate was fully justified by the urgency of the situation. It is obvious that all possible haste must be exerted if this aid is to be effective in helping Finland's cause. The tide of battle does not wait upon unduly extended deliberations, nor does the ebb of life upon the arctic snows of Finland await the outcome of prolonged debate. This sister democracy is in her hour of desperate travail, and aid must come quickly if it is to come at all. Fighting alone against vastly overwhelming odds, this embattled little nation has long cried out for aid in the form of materials necessary to preserve life. Tomorrow may be too late, and if the world cannot spare to Finland the material assistance she needs today, I feel sure that this gallant little nation will wish to be spared tomorrow's ineffectual grief over her fate.

Some weeks ago the world was shocked and stunned by the spectacle of a vast and mighty nation marching in wanton and unprovoked aggression against its tiny neighbor. In the ensuing weeks the world was electrified by the miracle of self-sacrificing heroism that the people of Finland achieved. For the preservation of their faith in God, their culture, their ideals, and their national existence, the heroes of Finland have waged an epic struggle which will go down in history as one of the truly great struggles of mankind—a struggle of a free people against the forces of despotism, oppression, and atheism. Regardless of the eventual outcome, the world can never forget the great heroism and sacrifice of this heroic people.

I do not believe that there is any question as to where the sympathies of the American people lie in this one-sided struggle. The overwhelming preponderance of Americans hope and pray for the success of Finland in defending its existence against this lawless and unwarranted invasion. We in America, who cherish so dearly the priceless privileges of freedom and democracy, can well sympathize with the spirit that inspires this gallant defense of Finland. I feel sure that the people of America are anxious to extend to this little nation such aid as may be rendered without involvement.

Because of the lightning rapidity of events in Europe, the people of our Nation are somewhat confused and uncertain regarding the causes, aims, and objectives of the European war. In the light of the shifting pattern of military maneuver and power diplomacy, twisting and warping Europe into strange and unnatural designs, despite the welter of propaganda and counterpropaganda which has inundated our shores, I believe the determination of the American people to avoid participation in Europe's wars is greater than ever before. It is my belief that the peoples of the world are far from convinced that terrible and unrestricted warfare is yet inevitable and that they still hope against all hope that a program of lasting and enduring peace may be launched before the full hell and fury of unlimited carnage is unleashed upon the world.

Mr. Chairman, I believe that when the time comes to discuss peace—and I fervently pray that this time may come soon—the hope for a lasting adjustment of Europe's problems will rest in a sound recognition of the natural right of a people, united by common culture and development, to direct its own destinies. History will demonstrate that under a truly democratic system of government an autonomous people is best fitted to promote its own welfare and will do so along peaceful lines by the development of its own commerce, industry, science, and art. Such a people is best fitted to eliminate the seeds of distrust, intolerance, and jealousy which are the most prolific breeders of war. Given the right to control their own futures, peoples will not wish to resort to destructive wars, but will choose rather to promote their own internal development along the paths of peace, culture, and a broad sympathetic comity between nations.

The history and development of two grand little nations, Ireland and Finland, strikingly demonstrate the natural

tendency of an autonomous people to develop an ideology based upon peace and tolerance and upon economic and social justice. Gaining autonomy at virtually the same time, the histories of these two countries have run closely parallel. In the short space of some 20 years of independent government, each of these nations has emerged from an undeveloped, backward country to a modern, enterprising, and progressive land. A brief glance at the history of each of these nations under independent government, will eloquently demonstrate the stabilizing influence toward peace of such autonomous peoples.

In some two decades of national existence, Finland has increased the arable area of the country by one-third and has increased the harvest by two-thirds. In a recent report on Finland, it is stated that—

Industry has expanded at a rate almost unparalleled anywhere in the world. The value of industrial output has multiplied three and a half times over. New opportunities for work and new wealth have been created on a corresponding scale. * * * Hundreds of thousands of families formerly subsisting on leased land or casual work on the land have been helped to become farmers of their own soil, or have found steady income and every opportunity for a healthy life in the service of the expanding industries or of the new enterprises in the cities and industrial centers. Poverty and distress as widespread social phenomena have vanished.

Equally impressive, though not widely enough known, is the amazing development of Ireland under 20 years of independent and truly democratic rule. Under the British act of 1920, part of Ireland was granted a measure of independence which, in the ensuing years, ripened into the entirely autonomous nation of Eire. Up to the time of its freedom, Ireland was little more than a vast and undeveloped pasturage, a pleasant rural resort, utterly dependent upon the shifting and uncertain economies of other nations for its economic existence and with no independent internal economy worthy of the name. Since then, in the short space of 20 years, Ireland has gone far toward developing a sound national economy based upon development of its own resources and a program of sound economic relationships with other nations.

Where once manufacture was limited to a few homespuns, decentralized factories have sprung up all over Ireland, producing a host of diversified products which once were wholly imported. Ireland's agriculture has likewise been placed upon a sounder and vastly more productive basis. In this and many other ways, Ireland has approached its goal of a balanced national economy.

During this period, Ireland has also developed a new program of social development. It is contemplated by the government that \$100,000,000 shall be spent on housing—a part of which has already been spent in this way. Nearly half a million is being spent for milk for poor children and a widows and orphans pension scheme is subsidized by the government.

The state is buying over about 100,000 acres of idle grazing lands and dividing this among landless men. Great progress has been made in education, and rural hospitals have been erected throughout Ireland. The Government has even promoted and fostered the arts and culture of the Nation.

Ireland has been handicapped and embarrassed in its development by the partition under the British act of 1920, which withheld from the new state six of the most fruitful counties of all Ireland. These counties bear a natural affiliation to the Irish Nation and, if left to their own devices without the constant rousing of prejudice, jealousy, and other disuniting emotions by external forces, would naturally gravitate to the new state. These counties could play a vital part in the economy of Eire and would contribute substantially to the development of a sound and self-sufficient economy for that Nation.

I believe that England could make a great contribution toward eventual peace in Europe at this time by permitting these counties, without obstruction and interference of any kind, to seek their natural affiliation with the rest of Ireland. By so doing she could demonstrate forcibly to the entire world her good faith toward small nations. This would go far toward dissipating the distrust and suspicion between the nations of Europe that exists today and would serve as an

impetus toward the settlement of Europe's problems by negotiation and nonmilitary means.

Mr. Chairman, I believe that even this brief glance at the histories of these two contemporary nations will serve to demonstrate the importance toward eventual world peace on a sound and enduring basis of recognition of the right of a people, united by common culture and heritage, to control its own future. Finland and Ireland illustrate strikingly the tendency of such a people to solve its own problems by democratic methods and upon Christian principles of social justice. Both of these nations have sought to guide their destinies along the paths of peace and good will. Each has contributed a generous measure to the security of its own people and to the world's culture and ideology of peace. They have maintained their national honor without blemish and have set an inspiring example to the world. They deserve the sympathy and support of the world in their efforts to preserve and develop the great spiritual values which they have achieved.

Mr. Chairman, if Finland is destroyed, civilization will have lost a great battle in defense of right, justice, freedom, and religion; and the world will have lost a force toward peace. Despite the brilliant successes won by Finland, it is now apparent that the cost of these victories has sorely weakened the Finnish forces. Against the invader's constant replacements of fresh new forces, armed with the most modern of mechanized weapons, Finland can only pit her exhausted, decimated, inadequately equipped, and poorly supplied little Army. The huge Soviet losses have made no appreciable dent in her illimitable resources of manpower but the Finnish casualties have represented a serious loss to this little nation. The heroic defense of Finland shows signs of crumbling before the relentless onslaughts of the atheistic invaders, and the help furnished by the bill now before us is sorely needed by Finland. I do not believe that this bill will in any sense insure the success of Finland. However, it does represent something tangible—the only substantial step toward aiding this valiant little nation that has been presented to Congress. I hope that this House will lose no time in passing this measure in order that this aid may be available to Finland while it can still be of value. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 9, after the word "articles", insert "except aircraft exclusively for commercial purposes."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER: Page 2, line 9, after the word "State", insert a colon, strike out the balance of the paragraph, and insert "Provided further, That the Export-Import Bank of Washington is authorized to loan to Finland on proper application not to exceed \$20,000,000 without restriction on the type of merchandise to be purchased in the United States."

Mr. MILLER. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 8 minutes.

Mr. MILLER. Mr. Chairman, I listened with a great deal of interest to the words of our colleague, the gentleman from Massachusetts [Mr. LUCE]. I think most of the Members of the House listened to that distinguished gentleman. If his argument is sound and a loan to Finland is but a step toward war, then I trust that this bill will be rejected in toto, because undoubtedly if authority is given to increase the capital of the Export-Import Bank loans will be made to China and

may be made to Finland, both of which are in the same category as to state of war.

We now come to the point where we must decide whether or not we want the Export-Import Bank to make a loan to Finland for purchases here in the United States of material that she can use to defend her territory and her liberty.

This amendment will not force Finland to buy munitions in the United States. It simply leaves to Finland the decision as to what she needs most with which to defend herself. I suggest it as a mild, reasonable amendment. It does not go as far as some Members of this House would like to go, but it certainly expresses the desire of Congress that the Export-Import Bank make a loan to Finland without restriction. The bank has that right now, without restriction.

Most of the Members of this House applauded the remarks of the gentleman from Texas [Mr. LANHAM] when he made such a soul-stirring address yesterday. I am hopeful that if this amendment is adopted the President of the United States will approve of the bill as amended, feeling that this is a safe step.

I cannot understand, in view of some of the arguments presented on the floor this morning, why it is unneutral for the Congress to indicate that we want the bank to make a loan, but it is absolutely neutral for Mr. Jones to make the loan of his own volition. Where does the question of neutrality enter this proposition? No one has challenged our right to make a loan to Finland. We have made them one loan since the outbreak of the unpleasantness now going on—and unpleasantness that we used to refer to as war. We have loaned China \$25,000,000 for the purchase of trucks. Undoubtedly those trucks were used by their army. No one denies our right to sell munitions to Finland, provided we do not violate our neutrality law.

Mr. Hackworth, of the State Department, said:

Now, if we assume that Finland is not at war—and I might say that both Finland and Soviet Russia stated to us that they are not at war—we are not confronted with the question of neutrality. If they are not at war, we can sell Finland anything that we like, and the question of neutrality does not arise.

That was the testimony of the representative of the State Department before the House Committee on Banking and Currency.

We were told during the special session that it was ridiculous to sell material that could be used to manufacture munitions to a belligerent and not to sell them implements of war. Do you recall the words of the gentleman from Texas [Mr. RAYBURN] during the neutrality debate when he asked, "Is it unneutral to sell a Chinaman a rifle with which to defend his home?" The question can be asked today applied to Finland. Finland is not a belligerent.

This amendment does not violate our neutrality. Finland must get its purchases home in ships other than ours. I have heard only one argument against this amendment that might have merit, and that is the element of possible delay. That can be forgotten in view of the action this Committee has taken this morning. We have adopted two amendments which make it necessary that this bill go to the other body. If the other body, in its wisdom, wants to assume responsibility for delay, the responsibility must lie on the other body; but we should write this bill as we want it written today while we have the opportunity.

I think it is fair to submit that if we cannot loan money to Finland that they can use to purchase munitions and implements of war, then we cannot make them a loan at all, because I think no Member will challenge the statement that money is as much contraband as cannon, cartridges, or any other implement of war. We are not instructing Mr. Jones to make this loan. We are indicating our desire, and I have confidence, as have you, that Mr. Jones will carry out the expressed desire of Congress. We were told yesterday from the Well of this House that our own War Department had said that only 25 percent of war expenses went into munitions and implements of war, but the distinguished gentleman from New York [Mr. CELLER] also put into the RECORD this fact, as coming from the Commerce Department, that while the previous statement as to 25 percent being war expense was

true, 98 percent of the purchases made by Russia in this country have been for war materials. If we are going to permit the export of munitions and implements of war to Russia; if we are going to finance Russia's war by buying her gold at \$35 an ounce when it costs her only \$11, then I for one insist that we permit Finland to buy whatever she needs in this country out of whatever money she borrows from the Export-Import Bank. I would still prefer to embargo all implements of war, but Congress has decided otherwise.

I think we might at this time refer to the testimony of Mr. Jones. I questioned Mr. Jones in the committee. I said to him:

I cannot see any reason for making any distinction between loaning money to Finland in this case, knowing that they are going to buy wheat or knowing that they are going to buy munitions. Would it not be in line with the vote of Congress in the special session to give Finland \$20,000,000 and say to her, "We do not care whether you use that credit with some aircraft company or some munitions manufacturer?"

Mr. Jones answered:

We have no objection if Congress wants to tell us to do it that way.

Further in the hearings Mr. Jones said:

I think this bill should be passed if we want to continue to aid our export-import business. So far as the question of Finland is concerned, under this act you give enough discretion to us, you show us that the majority of the people in Congress would like us to lend the money to Finland.

I then said:

Did you ask it to be more specific than that?

Mr. Jones replied:

I asked it to be more specific, but did not get it.

All my amendment does is to give Mr. Jones the specific instructions that he stated to us he had asked for, an expression of our desire to notify the people of the country that we are considering Finland. For this reason I offer this amendment. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER to the amendment offered by Mr. MILLER: Strike out the word "Provided," and all thereafter.

Mr. CELLER. Mr. Chairman, the effect of my amendment will be merely to strike out of the Miller amendment any reference to Finland. I agree with the gentleman from Connecticut that there should be taken from the bill all mention of limitation of the use of the money or prohibition, and the Export-Import Bank should be untrammelled to make the loan regardless of the purposes to which Finland may put it. But assuredly and above all a loan should be made to courageous, debt-paying Finland. My amendment should not, cannot, be construed by any stretch of imagination as any bar to a Finnish loan.

I am of the firm conviction that Finland needs arms and ammunition and should have the right to purchase arms and ammunition without let or hindrance. She asks for bullets and what do we give her? We give her beans. She asks for powder, and what do we give her? We give her peas. She asks for cannon and we give her broomsticks. It is utterly ridiculous.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MILLER. I assume that the gentleman knows that if Mr. Jones has the power, he will not make a loan for munitions of war unless we so instruct him.

Mr. CELLER. I hope Mr. Jones will not so conclude. If either the Connecticut gentleman's amendment or my amendment prevails, Mr. Jones has ample authority to make a loan for the purpose of the purchase of munitions. When a loan was made to China there were no restrictions. There should be none. Just think for a moment. As the gentleman from Connecticut stated, and as I reiterated yesterday, 98 percent of the export material sent to Russia today is munitions of war. Furthermore, Russia purchases from us 300,000 barrels

of gasoline every month for use in Stalin's planes to bomb Finnish cities and destroy innocent women and children. On the other hand, showing our unneutrality in that fashion, we come here in psalm-singing hypocrisy when we say or vote that Finland shall not use any of the money we loan her to defend herself against those death-dealing Russian planes and tanks that are also propelled by American gasoline.

Take Japan and her war on China. I discovered from my investigation that of all the material we supply Japan 85 percent is used for military purposes. Included in that material are American-made planes equipped with American-made bombs used ruthlessly to slaughter defenseless Chinese women and children. We loaned money to China. She could buy with it antiaircraft guns or other planes to defend her people. There was no restriction. I simply ask for the same treatment of Finland.

Surely we could find a way to help poor Finland, particularly if we help Japan in the way indicated and if we help Russia in the way indicated. In other words, if we can, with eyes open, aid Russia and Japan to slaughter the innocent, we should readily find the way to help Finland defend herself against terrible odds, against a destroyer of democracy.

The President of Finland, Kyosti Kallio, full of "sisu"—the Finnish word for courage—last week said:

We are deeply grateful for the help America has extended us with humanitarian materials, but such help must be altered if the Finnish population is not to be massacred. If our civilians—our old men, women, and children—are to be killed in their houses, as is happening every day in our cities, towns, and villages, they will have no need for food and clothing.

He said they needed airplanes and antiaircraft guns. Mr. Kallio made this solemn promise to our authorities:

That the planes would not operate beyond the Finnish borders or against planes or troops engaged in genuine military operations; that they would be used only to defend the towns and cities—to defend innocent men, women, and children.

We must help the plucky Finns against the "red" Goliath, against the "red" Moloch, against OGPU terrorism. Humanity demands it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Let the Chair make an announcement. The Chair will try to accommodate every Member who desires to speak on this bill. There are pending at the desk several genuine amendments. The Chair will endeavor to handle these amendments in such way as to accommodate all who have spoken to the Chair for time.

Mr. DINGELL. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. DINGELL. In support of the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if it were germane, and if I thought it would help Finland, I would move to strike out everything after the enacting clause and I would offer the amendment to provide for an unrestricted loan to Finland. Here we are magnanimously providing authority for the Export-Import Bank to make a loan of \$20,000,000 to the hardy, courageous Finns who, with their backs to the wall, are fighting the world's battle and our battle for freedom, democracy, and Christianity. We restrict the loan for powder puffs, silken scanty panties, and for cream puffs, when we know the Finns need shrapnel, buckshot, barbed wire, and all the fiercest implements of hell because they are fighting to stop anti-Christ and the hosts of hell led by Beelzebub. Let every man stand up and be counted, let him vote as he talks, and let us dispense with hypocrisy and catch phrases. Either we are courageously for Finland, freedom, and Christianity or we are for the dictatorship of Stalin, persecution, murder, depravity, and everything that is base and cowardly.

We are Americans with the red blood of our forefathers coursing in our veins or we are yellow and not worthy of the heritage. Imagine General Washington, Lafayette, Kosciuszko, Pulaski, Von Steuben, Barry, Perry, Grant, or Lee hesi-

tating, shrinking, and slinking, giving way before the shadow of the starving, brainless Russian bear which is being led to destruction by a degenerate, scab paperhanger. Imagine their picturesque expressions of burning defiance, which might be provoked at this time and printed for posterity were any of these heroes alive and present today. The world on fire, ignited by two fiends, run amuck, millions of innocent people robbed, murdered, raped, and deported; men, women, and children shot down as though they were mad dogs; property destroyed, churches desecrated and bombed; fortunes confiscated, and a trail of broken hearts and suicides left on blood-drenched Polish and Finnish soil—and we are afraid we might offend Stalin and Hitler.

I would give my last dollar to drive them into hell for all time, and then I would raise Old Glory on high as the symbol of hope and succor to all the free and democratic people of the world, and as a warning to the international bandits and thugs, or I would haul her down lest someone might object to her fluttering in the free breeze, and I would change the bright red bars to yellow as I laid her away forever.

Why restrict the loan to Finland? Is it because of our fear of violating our neutrality? We could, today, loan money to Russia if it were not for the fact that, as a welcher, she is barred by the provisions of the Johnson Act, but otherwise she would be eligible for there is, technically speaking, no war between Russia and Finland, and I am as technical as I can be on this point since it pertains to Russia. I want her to have the full benefit of the technicality which exists. And as to Finland—God bless her and preserve her. She is no welcher; she is and always will be an inspiration to the world and to red-blooded Americanism. As a symbol of righteousness, courage, democracy, and Christianity, she, like Poland, has earned her place in history as freedom's and Christianity's glorious defender. If she goes down all that America stands for will shrink and shrivel, and I dare no longer brag about my Americanism for fear my children might suspect I voted favoring Stalin and Hitler.

So help me, if given the chance I shall vote for no restriction, and a hundred million dollars instead of twenty.

A \$20,000,000 loan amounts to less than 15½ cents per capita.

A \$60,000,000 loan amounts to little more than 46 cents per capita.

There are enough red-blooded, two-fisted Americans with the normal amount of guts in America today who are willing to risk their 15½ cents to help Finland, and at the same time to risk the displeasure of Stalin and Hitler.

Why hold back in opposition to the tide of public sentiment which, in America today, is at least 95 percent anti-Nazi, anti-Communist, and just as much in favor of an unrestricted loan to Finland. [Applause.]

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with a considerable degree of reluctance that I take the floor at this time, having spoken once on yesterday; but I am fearful over the adoption of all these amendments, some of which are of a highly controversial nature. I am afraid it may inevitably tie up this legislation in conference. We have no assurance that the other body will accept any of the amendments that have been adopted or which may be adopted, neither have we any assurance that the President of the United States will sign the legislation or give it his approval if we place therein an amendment which removes all restrictions. God knows I am in favor of sending Finland airplanes and all other war materials that she may need in order to defend her firesides and her independence, but we must not overlook the fact, Mr. Chairman, that time is of the essence.

Let me read to you a few quotations from Foreign Minister V. A. Tanner's statement, made a few days ago:

We have applied for a loan of \$60,000,000, and our request apparently has been dealt with in the usual peacetime way. The decision was delayed for months. Finally, \$20,000,000 were proposed, but even now this amount is being delayed.

It seems the gravity of our situation is not fully realized in the United States. It would be deplorable if our appeal for help were thrown into the orbit of American domestic politics.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. What is the date of that article?

Mr. KNUTSON. It carries no date line. I clipped it out of a paper that came into the reading room this morning. I am informed it is about a week ago.

Let me appeal to the House to expedite this legislation as much as possible. If we take a day or 2 days in the consideration of the bill, perhaps that may not be fatal, but should it go to conference and there become a matter of controversy, it may be delayed for days, possibly weeks, and I need not tell you what the consequences may be. I know you all want to help Finland and I am appealing to you to vote down all amendments to insure its ultimate enactment speedily.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I am well aware of the gentleman's desire to help Finland. Does he believe the bill as it stands contains substantial aid for Finland?

Mr. KNUTSON. The measure carries all that we can hope to get at this time. There is no question but what Finland can use \$20,000,000 in nonwar materials. She will have to look to some of the powers over in Europe for other assistance.

Mr. MURDOCK of Arizona. I agree with the gentleman that we should help Finland and that this bill as drawn is about all we can hope to get for them through legislation at this time.

Mr. KNUTSON. Mr. Chairman, I appeal to the Members to pass this legislation without the inclusion of any controversial amendments. Let us expedite its consideration. Let it not be said that the American Congress fiddled while Rome burned.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, I am very much in favor of the amendment offered by the gentleman from Connecticut. I had prepared a similar amendment, and if the amendment offered by the gentleman from Connecticut is adopted I shall not offer my amendment.

I hope that all Members who have protested their desire to give real assistance to Finland will vote for the Miller amendment. This amendment will allow Finland to purchase any kind of material, either military or nonmilitary, that she may wish to buy. It lifts the restriction as to the kind of purchases that may be made and I believe that we all know what this gallant defender of democracy needs in continuing her fight against the red hordes of Russia. Here is a real opportunity for Members of Congress to demonstrate their hatred of communism.

I have been, and still am, for an unrestricted loan to Finland. A loan whereby they may purchase anything they desire.

A study of the history of this bill, as I said yesterday, will reveal the genesis of the movement to make available to Finland real, tangible, unrestricted assistance. Early in this session, long before the plight of Finland was of widespread concern, I requested the Senator from Michigan, author of this bill, to introduce my bill in its original form. My bill, as you know, provided for an outright unrestricted loan of \$60,000,000. True friends of Finland and those who are sincere in their efforts to render real aid to that country have rallied to the support of my proposal. It seems to me that the issue is quite clear here—either you want to help Finland or you do not want to. A vote for the Miller amendment or my bill would be an affirmation of your desire to recognize Finland's stand against an aggressor nation.

The question of our neutrality policy has again been raised in this debate. An unrestricted loan to Finland would in no way violate our neutrality as I have repeatedly pointed out. The State Department will inform you that technically neither Finland nor Russia are at war. Therefore, the legal aspects of the neutrality law do not arise. Since they are not at war we can sell Finland anything that we choose to—military or nonmilitary materials. The important thing is to

place the money in the hands of the Finnish Government so that they may purchase any material or equipment which in their judgment will most effectively stop Russia.

I agree with the gentleman from Minnesota that any delay in connection with this matter, or the throwing of this bill into conference would be a very grave mistake, but I do not believe adoption of the Miller amendment will throw this bill into conference. I believe the Senate will agree to accept that amendment. That body is just as much in favor of helping Finland as we are, and if we adopt this amendment I feel certain that it will also agree to it without going into extended conference.

We may adopt this amendment without in any way affecting our neutrality.

Mr. SOUTH. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Texas.

Mr. SOUTH. What assurance does the gentleman have that this is not a matter involving policy which will have to be referred to the President and to other administration leaders? I heartily agree with the gentleman from Minnesota that if we want to help Finland we better go along with what has already been threshed out by the administration leaders in order to get something done.

Mr. HOOK. If the administration leaders have not decided on a policy with regard to this situation up to the present time, it is about time that they do something.

Mr. SOUTH. They have done so, and this bill represents what they have agreed to. The gentleman knows that.

Mr. HOOK. A review of the history of the bill under consideration will show that it started by the introduction by myself of a bill on January 3 providing for a \$60,000,000 unrestricted loan.

I hope that a sufficient number of Members of this House will assist me in obtaining action on the bill. Our people from the humblest voter to the President of the United States have expressed their feeling on the Finnish-Russian situation. All that is lacking now is for the Members of this body to carry out the wishes of the overwhelming majority of the citizens of the United States. My bill providing for an unrestricted \$60,000,000 loan was introduced only after weeks of most careful consideration, innumerable conferences, and intensive study of the Finnish economic situation and their needs in this conflict. I feel certain that the administration would carry out effectively and with haste any legislation along this line. It is up to us to definitely and positively state on the floor of the House that we want to provide an unrestricted loan for Finland.

I believe there would not be any opposition.

Mr. KEEFE. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact that under the rules this bill as presently amended, without further amendments, will have to go to conference? It must go to conference?

Mr. HOOK. It may go to conference but there is no reason why the conferees should not immediately report it back.

Mr. KEEFE. The committee has already amended the bill.

Mr. HOOK. As the gentleman from Wisconsin states, the committee has offered an amendment to the bill.

Mr. Chairman, I feel this amendment is a proper amendment and should be adopted by the House.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. Eaton].

Mr. EATON. Mr. Chairman, I doubt if in the history of this Congress there ever has been a situation so unworthy of our integrity and self-respect, so steeped in hypocrisy and cowardice, as centers around this legislation. I am for the Miller amendment. I hope it will go through. I shall vote for it. I have a similar amendment of my own, and I am holding it in reserve as a second line of defense.

A year ago the administration sent up here a bill providing for \$100,000,000 to be added to the resources of the Export-Import Bank. That bill was turned down by the House in a moment of unusual independence. Now, after

months of waiting, we have this identical bill brought in here asking for \$100,000,000 for the Export-Import Bank, and this request is camouflaged by being hung on the wounds of Finland. In accord with a sordid hypocrisy the whole Nation has been led to believe that this is a Finnish-relief bill. It is nothing of the kind. It is a banking bill. It ought to be settled as such on banking principles by banking authorities. If we believe, as I am willing to believe, that it is a good thing to have exports from this country encouraged by our Government, then we should vote for this bill on its merits as a banking bill. But to tie up the great policy question of Finnish relief with this banking proposition puts us who have to vote on this measure in the same situation as the old Scotch woman who was praying for bread, and a college boy put a loaf down her chimney. She said, "Well, the Lord sent it, even if the devil brought it." We are in that condition here today. If we vote against this bill, the country will be told that we have voted against helping Finland. If we line up and vote for this bill, we will have been forced to vote for the most perfect and slick example of political flimflam and skulduggery that has occurred in 16 years of my life in this House. [Applause.]

The people of Finland are our spiritual brethren. They are fighting and dying for every ideal that our country stands for. They are in great danger and distress. We have the means to help them. They have asked us to help them. They are in the same position as one of our families or one of our communities would be if a deadly plague afflicted them. They know, we know, and the world knows, that we have an abundant supply of a precious serum that will head off this plague. They ask us for a small portion of that supply. We tell them in unctuous tones that we will not let them have the serum, but we have on hand a fine brand of embalming fluid which we will be glad to ship them and which they can use. We want these, our beloved brethren of Finland, when they are being slaughtered by the Russian monster to be "well fed, well clothed, and well housed," so that the slaughter will amount to something worth while when it is really finished; but as for any real attempt to keep the Finns from being slaughtered, we hide behind a barricade of sentimental twaddle, of cringing cowardice, and political flimflamism that is absolutely disgraceful and unworthy of the Representatives of a great Nation animated by a sound and normal moral passion. The American people know that we in our greatness and our liberty ought to stand by Finland and help them. They know that the danger which threatens Finland threatens also to destroy every free community in the world. We ought not to be afraid of Russia or of anybody else on the face of the earth. We ought to be afraid only of not doing what is right by our own kind of people when they need our aid.

Therefore, Mr. Chairman, I sincerely hope that the Miller amendment will be adopted. Do not forget that this amendment was proposed by a veteran of the World War who sits in our midst today a living illustration of what happens to men when they get into this horrible thing we call war. In accord with the moral sense of our whole Nation, he believes in sending real aid to Finland. That is what our people want to do. That is what I want. I am for the gentleman from Connecticut [Mr. MILLER] and for his amendment. I am going to vote for it, and I hope you will all do the same. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, I am for the Miller amendment and in hearty accord with the sentiments expressed by the gentleman from New Jersey, who just preceded me. Men can rise on this floor and try to divert our minds to thoughts of Export-Import Banks, to thoughts of stimulating exports and thoughts of lending money through the Reconstruction Finance Corporation, but the minds of the men and women in this Chamber today, as well as the minds of the men and women throughout this broad land of ours, refuse to be diverted. They are fixed upon one thing, whether or not we are really going to aid Finland. It is to this question and to this question alone that I address myself.

Here is a brief history of why Finland comes before us today asking for help: In 1933 Russia signed a nonaggression pact with Finland. The former recognized Finland's independence and the inviolability of her territory. Contrary to that pact of 1933, contrary to Russia's signed guaranty, the Russian Government demands territories and privileges from Finland which no independent nation and no free people could concede without losing both independence and freedom.

Russia demanded what? She demanded that the mutual boundary be moved westward farther into Finnish territory. She demanded that it be moved westward to the Karelian Isthmus, and that certain islands off the southerly coast of Finland, and Finland's most southerly tip of land, Cape Hango, be granted to Russia for a military and naval base.

Furthermore, Russia demanded Finland's entry into a nonaggression pact. Russia is now fighting Finland in violation of a nonaggression pact entered into by Russia with Finland in 1933, but as part of her inordinate demand today she asks another nonaggression pact with Finland which Finland will have to live up to but which Russia can, of course, disregard with all the brutality of the more powerful nation. She demands a nonaggression pact with Finland giving her the right to garrison Finland in the event of an emergency, and at any time convenient to Russia's aims, with the bare statement that she, Russia, is threatened with an attack from the west, she could move in and garrison parts of Finland.

These demands meant but one thing, that if Finland were to submit to them she would lose her independence and her freedom and degenerate into a Russian protectorate, where Communist dictatorship would soon be in force.

Now, Finland has done what to bring about this aggression? She did not threaten anyone; she did not demand anything of anybody, except the right to live in peace and to develop her natural economic and cultural institutions.

Finland has decided unanimously to oppose the demands of Russia, despite the fact that the extortioner is a nation of nearly 200,000,000, whereas Finland has a bare 4,000,000. The present Russian strategy largely is large-scaled air attacks. What does Finland need? She needs a large number of pursuit planes and antiaircraft guns. This is what she needs, not pious words of sympathy, not merely commercial things, not limitations upon loans. She needs steel, iron, and bullets to fight steel and iron and bullets. Finland is in the front-line defense. It is the defense of any self-respecting man's right to live a free life. She is fighting the fight of democracy.

I do not care what Communist Russia may think of our action. I think we are obligated to ourselves and our consciences to aid that gallant nation. She is fighting the fight of democracy; and if we let her down, it will be like dropping mercury on a cold day—it will chill democracy throughout the world. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I wonder if we cannot agree on time for closing debate on this amendment. We have a number of other amendments, and I do not myself see any use of talking all the afternoon on one amendment. Of course, many of the amendments are similar.

The CHAIRMAN. The Chair will state that upon each amendment that has been considered the Chair has tried to recognize as many Members to speak as possible.

Mr. WILLIAMS of Missouri. There are other amendments to be offered, and I would like to have an agreement to limit debate. I suggest, Mr. Chairman, that all debate on this amendment close in 25 minutes.

Mr. ALLEN of Pennsylvania. Mr. Chairman, reserving the right to object, will the Chairman tell us how many Members wish to speak on the amendment?

The CHAIRMAN. There are six Members, including the members of the committee, who desire to speak on the amendment.

Mr. ALLEN of Pennsylvania. Mr. Chairman, reserving the right to object, will the gentleman from Missouri ask unanimous consent to limit debate to 30 minutes so each of us will be sure of having 5 minutes?

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Chairman, I am well aware of the fact that there are two issues involved in the legislation before us this afternoon; one pertains to the banking features of the bill and the other pertains to the loan to Finland. We can say that there are two factors involved, because the Members of this House and the people of our Nation have been led to believe that this is primarily a bill which will guarantee a loan to the Finnish Government.

I am not going to take issue with the chairman of the Banking and Currency Committee regarding the banking features of this bill. I shall confine my remarks to the amendment now before us. I wholeheartedly support the Miller amendment because it gives the Members of this House a clean-cut opportunity to vote on the question of a Finnish loan. This is the only opportunity those who feel that this Government should grant an unrestricted loan to Finland will have to express their views. This is our only opportunity to vote on that issue.

Now, regarding the question of a possible delay if this bill goes to conference, I dare say the Finnish people would be glad to wait a week if they could have \$20,000,000 for unrestricted purchases rather than \$20,000,000 immediately with restrictions for civil commodities only attached to it.

This morning the Foreign Affairs Committee was considering a bill for the relief of Polish refugees. While I cannot speak for the whole committee, I feel that there is a great deal of sympathy for donating money for relief purposes to the Polish refugees. Must we wait until the liberty-loving, peace-loving people of this world become refugees and are thrown on the bosom of the world for charity before we are willing to lend money? Is it not more sensible to loan money in advance so that these free nations will not be destroyed, rather than wait until they have been crushed and then give their people charity? I, for one, would rather give them the means by which they can defend themselves now. If we do not help Finland now, we will be called upon in the weeks to come to vote funds for the relief of Finnish refugees. By then free Finns will have been decimated and the scalp of another democracy will hang on a dictator's belt.

Mr. Chairman, on the Fourth of July and other national holidays in this country many of us, and many of our public leaders, appear on the public platform and talk about the great principles of freedom, liberty, democracy, and Christianity. Here is a chance this afternoon for us to pay a little more than lip service to these principles. Here is our opportunity to prove whether or not we so deeply believe in those principles that we are willing to risk a few dollars in their defense. Remember that some 160 years ago men like Lafayette, Rochambeau, Von Steuben, Kosciuszko, and others came to this country to help liberate it from tyranny. They were willing to risk not only their fortunes but their lives, and we have exalted their memories ever since because of the principles for which they stood. Nobody is asking a single American to risk his life for Finland today. All the gentleman from Connecticut [Mr. MILLER] asks in his amendment is that we loan a few dollars so that these principles in which we so strongly believe and which we cherish so deeply may be preserved. If we support the Miller amendment, I believe that liberty and freedom, democracy and Christianity, will be just a little more secure throughout the world and in this country in the years to come. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The Chair recognizes the gentleman from Massachusetts [Mr. GIFFORD] for 4 minutes.

Mr. GIFFORD. Mr. Chairman, I asked for time yesterday and I fully explained to the House that this debate would give an opportunity to Members on both sides to express themselves on the matter of helping Finland. The bill merely authorizes Mr. Jones to loan this money, if he thinks Finland can repay it. In the public mind this is a Finnish loan,

however. We cannot help that, but that is a fact. So what possible harm is there in mentioning Finland specifically in the bill? In any event, I repeat, if you vote against this amendment, you will find it difficult, indeed, to square yourselves in the opinion of the American people. You certainly are in a position to vote for the amendment, Finland not having been declared a belligerent. That is what we are trying to bring about. We wish to be helpful to the Members on both sides of the House, and enable them to express themselves as at least desiring that Finland be assisted.

Mr. WILLIAMS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. WILLIAMS of Missouri. The gentleman, of course, realizes that there is authority to lend money to Finland now.

Mr. GIFFORD. Yes.

Mr. WILLIAMS of Missouri. And this does not add a thing to it.

Mr. GIFFORD. Oh, I think it is an expression of public opinion. If this is adopted I shall vote for the bill, but if the gentleman refuses to have the bill contain an expression in favor of Finland, then I shall feel perfectly free to vote against it.

Mr. WILLIAMS of Missouri. Although there is the authority in the bill now to make a loan to Finland, yet it is the gentleman's idea that Finland of all the nations should be singled out and all of the others discriminated against in this legislation?

Mr. GIFFORD. Yes; because in both branches of the Congress, and in the press all over the country, this is known as the Finnish bill, and as I told the gentleman, we cannot help you get the additional \$100,000,000 for general loans in that way. I say to you on the other side, it is harmless and you ought to vote for it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CELLER. I understand the gentleman's position is that he desires—as I do, and as the gentleman from Connecticut [Mr. MILLER] does—to strike out any prohibition against loans for military purposes.

Mr. GIFFORD. The Miller amendment does that.

Mr. CELLER. But he wants the nation Finland mentioned in the amendment.

Mr. GIFFORD. Yes; but Finland has not been declared a belligerent, and Mr. Jones could loan that money now for that.

Mr. CELLER. So that either with or without my amendment—and my amendment would strike out Finland—nevertheless the gentleman would be opposed to any military limitation in the bill.

Mr. GIFFORD. Yes; and I hope that we can accomplish such aid directly and not, as the gentleman's leader said, through barter with some other country. The thought I wish to express is this: This is a simple, easy way for us to clear ourselves of—whatever you want to call it—misunderstanding, if you wish. But there is no misunderstanding in the minds of the American people regarding the vote that you are about to cast.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The Chair recognizes the gentleman from California [Mr. GEYER] for 4 minutes.

Mr. GEYER of California. Mr. Chairman, I am opposed to the Miller amendment. I will not speak directly to that, because yesterday I was unable to get time. So, if I go a little bit from the Miller amendment, I hope you will bear with me.

Mr. Chairman, this body is considering increasing the capital of the Export-Import Bank to \$200,000,000 in order that immediate loans may be made to Finland and China and later to any other such neutrals as those in charge of the bank may care to assist.

MY OPPOSITION NOT PROMPTED BY LACK OF SYMPATHY

I do not wish my opposition to this measure to be construed as a lack of sympathy for weaker nations that may be locked in deadly embrace with stronger ones. I have stood in the Well of this House and urged this Congress to assist China by

shutting off the supplies of scrap iron and oil that are making possible the invasion of that country. I have been sympathetic with all the smaller countries that have been at the mercy of invaders. No one, since I have been in the House, has lifted his voice oftener than I in behalf of those in distress.

MY CONCERN IS FOR MY OWN NATION'S WELFARE

I am driving out of my mind the sympathetic emotions that continue to rise there. I am cold-bloodedly analyzing this bill in terms of the effect of its passage on our own Nation's welfare. In other words, I am asking Members of this body and myself, "What will be the effect of the passage of this measure on the future welfare of our own beloved land?"

PASSAGE OF THIS ACT A STEP TOWARD WAR

What is the route to war? Does a Congress just suddenly decide to declare war? We all know when we think of our last venture that President Wilson and the Congress were re-elected mainly on the assumption that all had done their part in keeping out of the conflict. How, then, did it happen a President asked for a declaration of war and a Congress obliged him? Did they all forget their pledges to the people to such an extent that they arbitrarily pushed us into the conflict? No; the entry into the war was made because the people demanded it of their elected representatives.

WHY PEOPLE CHANGED THEIR MINDS

In the early part of the war we had sympathies in no marked degree for either side. There was even a time when there was much talk of our entering on the side of the Central Powers.

THEN SOMETHING HAPPENED

Our international bankers made loans and investments to the Allies. Immediately that section of the press controlled by these interests began to find "incidents of brutality by the murderous Huns." Next the Government loaned money to the Allies—in reality to safeguard the investments made by private corporations. Now new "atrocities" were discovered and "actual" photographs—of waxed figures supplied by the French Ministry of Foreign Propaganda—of Belgian children with hands cut off and the like were shown by poster, on the screen, and described by the press.

The real fuel for the demand to kill came when "brave little Belgium" was overrun. There was now real material at hand to fan into a white heat the sympathies of the people. Soon the movies were playing patriotic songs and showing patriotic pictures; soon the daily papers were appearing decorated in red, white, and blue; soon the ministers of the gospel were putting Christ in the uniform; and soon the schools and colleges were furiously teaching a hate-breeding brand of education, deleting from their history and song books all reference to anything German in origin and taking from their curriculum all courses in the German language. Anyone who so much as dared to suggest that there might be something said on the side of the Germans took his life in his own hand. Sauerkraut became liberty cabbage and all names borrowed from the German language were immediately Englishized. I personally know of one farmer whose house and barns were burned because he had a distinctly German name and could not speak English. Under the lash of a frenzied public opinion, the President and many Members of the Congress felt themselves released from any promises previously made and war was declared. Thus we see, judging from the past, that our first step into war came when, under the lash of sympathy for a small nation, we loaned money to save a few investors.

SITUATION TODAY PARALLEL

We have a parallel situation today. There are American investments in nickel mines, paper mills, and other factories in Finland. We have the small and overrun nations in Finland and China. We are now asked to loan money, the next step, and next we will be asked to send our boys to protect the investments of private interests and Government. My colleagues, we must stop and think. We must not blindly follow the deadly path of a quarter of a century ago just because our sympathies draw us that way.

CONTRARY TO THE NEUTRALITY LAW

Last session we passed a bill that prohibited loans to belligerents. Can anyone for a moment say that China and Finland are not belligerents? Does the absence of a formal declaration of war make a country less of a belligerent when that country is killing and having its own sons blown to pieces? Ask the mothers of the Finnish boys and the families of dead Chinese soldiers whether or not their countries are at war.

LET US FACE THE FACTS

Let us face the facts. This bill is being backed strongest by those who hope to sell supplies—yes, even war supplies to the borrowing countries. They are so eager for profits that they are willing to risk our danger of involvement. This bill even makes the sale of planes legal.

WHERE ARE YOU BUDGET BALANCERS?

Where do you stand who are so strong for economy? You who have constantly shaved in the neighborhood of 10 percent from the all-too-meager requests made by the President's Budget? Are you going to throw this money away to governments that may not even exist at this time next year? Our experience as a lender of money to foreign nations has not been exactly a money-making venture.

MONEY NEEDED AT HOME

Is this Congress going to forget its own people? What about using this money to assist our own unemployed, our small-business man, our small farmer, our four and one-half million unemployed youth, our aged persons who need assistance, or our needy veterans? Do we have the moral right to send purchasing power away that is so badly needed at home? Better talk of protecting democracy at home before going abroad, or better talk of relieving suffering here in the United States before going into foreign countries. Let those who care to give, give through private agencies, but let us not make the Government a party in the perennial European quarrels. We must not officially take sides. Let us make our stand right here and place a blockade in this road that leads to war by breaking this link of the chain. I for one intend to do so and to do the same at every step in that direction. Then, if and when we come to the last step—that of declaring war—I shall vote against it, even though every soul in my district desires otherwise. After all, God has commanded, "Thou shalt not kill."

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, it was not my intention to take the floor again today, but there is one thing I think we are all quite sure of. One hundred and thirty million people have been led to believe that this bill is for the purpose of helping Finland, and unless this House gives some expression, takes some official action, the public may be misled as to the motive of Congress. At least the Miller amendment puts us on record as to just exactly the purpose we have in passing this particular bill.

I must say that our acts are very inconsistent with what we propose to do here today. I am only repeating, because the public ought to know, that while we propose to loan \$20,000,000 to Finland, we are just pouring war materials into Russia to cut the throat of the Finlanders.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SOUTH. It is a fact, however, that if Finland has the money to buy war materials, she can buy them on the same basis that Russia is buying them. Is that not the fact?

Mr. REED of New York. Russia would not have any credit to buy anything if the administration were not paying her for the gold that they are sending in here, at a profit of \$24 an ounce. The gentleman knows that.

Mr. SOUTH. But the gentleman does not contend we are favoring Russia over Finland insofar as the purchasing of war supplies is concerned?

Mr. REED of New York. I should say that we are, because Russia is the aggressor. We know that Russia, after President Roosevelt recognized her, has violated the treaties she made with this Government. We know that she has been carrying on her subversive propaganda. We know that she

does not deserve the slightest consideration by this Government at the present time; yet this country is sending Russia her essential war material. I want you to see the picture, because it is a ghastly one for our Nation, which professes to be so interested in the great fight that Finland is making for liberty, to arm Russia with bombing planes and bombing engines, to supply the gas and increase the exports of copper.

I have written to the Department of Commerce, and notice this: Whereas before the invasion of Finland we were shipping practically no copper to Russia, in the month of January 1940 our shipments of copper were \$6,997,000; metal-working machines, \$2,205,000; brass and bronze, \$630,000; electrical machinery, \$585,000; petroleum products, \$187,000; other commodities, \$448,000.

I cannot see any rhyme or reason why we should be so meticulous here as to what Finland should buy with this money when we without any hesitation, without the gesture of a moral embargo, permit munition makers to send all these war supplies into Russia, which, of course, makes it utterly impossible for Finland to win this war. It just cannot be done. I think it is about time that this Congress stood upon its own legs and asserted itself and protected the self-respect of this country.

Mr. KELLER. What would be the gentleman's solution?

Mr. REED of New York. If we can declare a moral embargo on certain munitions as we have, which moral embargo some of the industries are living up to, we can declare a moral embargo on copper. The copper people seem to have the inside track here. They seem to get all the consideration in trade agreements or what not. I say if there are any morals left in the industries of this country, the President can declare a moral embargo; and this he ought to do if we propose to help Finland by a loan to assist her in her fight for liberty. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN A. HALL] for 4 minutes.

Mr. EDWIN A. HALL. Mr. Chairman, every Member of this House, including myself, is placed in a very unfair and unenviable position at this time, for if we vote against the pending measure the folks back home will ask: "Were you against democracy? Were you in favor of Soviet Russia?" On the other hand, if a Member votes for the bill he must be branded back home as a Representative who has absolutely no regard for either economy or good sense.

A loan to a foreign nation on a basis similar to that on which certain previous loans have been made by this country is anything but sure and sound. If we could lend the money provided in this bill to one little country called Finland, I would place my unalterable approval on the bill. But, Mr. Chairman, I can see no alternative than to oppose the bill unless the Miller amendment, or some like amendment providing unrestricted loans to Finland, is adopted.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN A. HALL. I yield.

Mr. HOOK. Does not the gentleman believe that if the Celler amendment to the Miller amendment is adopted it will qualify the Miller amendment, because the matter will still be left within the discretion of the Administrator of the Bank?

Mr. EDWIN A. HALL. I cannot answer the gentleman with certainty, because I have not had an opportunity to study the Celler amendment. I do feel, however, that the Miller amendment or some similar amendment is necessary to warrant the passage of this measure.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. EDWIN A. HALL. I yield.

Mr. CELLER. My amendment would simply take out all mention of countries so as to leave unrestricted discretion in the Export-Import Bank as to what countries they would make loans. It was in no sense a proscription against Finland. It simply leaves full discretion in the Export-Import Bank, and they will undoubtedly make a loan to Finland for all purposes, military or nonmilitary.

Mr. EDWIN A. HALL. As the bill now stands I am very much opposed to it and fear I shall have to vote against it if at the time the vote is taken the bill in its then form

permits the promiscuous throwing around of funds by the Export-Import Bank in places from which American capital might better be diverted for use at home. For instance, in my own district—and I am not doing any logrolling at this time—there are many farmers who are absolutely stricken, who do not know where their next meal is coming from. Their plight is brought about because a serious drought, at the end of last summer, ruined their hay crops, and they are unable to feed their stock. Many of them will be forced to fold up and quit. Why would it not be better to divert some of the money provided in this bill to be used for home relief?

I, for one, am very much disappointed that I shall have to vote against the bill; but I see no other way out, because the folks back home will accuse me of squandering funds in foreign lands.

It is high time that the Members of this body got down to the business of putting our own house in order instead of continually butting into the problems of the European continent. My sympathies are for Finland, which I will presently show by voting for the Fish amendment. But to support the bill which we are called upon to vote for is the most outrageous and imprudent step which we can possibly take at this time.

The administration demands on the one hand that we keep out of war, while on the other it is determined to keep promoting schemes which will drag us inevitably into it. I tell you that if such procedure continues, this House will have a war resolution jammed down its throat before we realize it. My warning to everyone is, keep out of war by having nothing to do with measures which deliberately advocate war. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. WILLIAMS] for 5 minutes.

Mr. WILLIAMS of Missouri. Mr. Chairman, we have fought the battle between Russia and Finland on the floor several times today, and there has been a good deal of tub thumping and breast beating. We have now reached the point where we are about to vote on an important amendment.

I am rather astonished that my friend—and he is my friend—the distinguished member of the Banking and Currency Committee should present an amendment here which would indicate if we make a loan to Finland that we hope and expect the money to be spent for the purchase of war materials, ammunition, and implements of war. As I remember, he was the loudest in protestation against that very thing when the Neutrality Act was before this Congress less than 6 months ago. What is true of him is true likewise of a great many others. The very ones who were then protesting the sale of munitions and war materials on the ground that a movement of that kind or that kind of activity on the part of this Government or any of our nationals would surely lead us into war are the same ones who are now clamoring for an amendment which does the very thing which they then opposed.

Why, I ask you, why take out of this bill the limitation which the bank itself wants in there? Why take out the limitation which Jesse Jones, the Administrator of the bank, wants in the act? Why take out of the bill a limitation which the President himself wants? The limitation which prohibits a loan for the purchase of war materials.

They talk about allowing Finland to use this \$20,000,000 as the Finns please in the purchase of arms, munitions, and implements of war. I think I can say, beyond any question, that if you expect any of this money to be used for the purchase of war materials, implements of war, or munitions in this country, you will be sadly disappointed, because, in my honest judgment—and I say this upon the record of the hearings—none, not a dime of it, will be spent for that purpose. In addition to that I say for myself that not a dime of it ought to be spent for that purpose. A loan for such a purpose, if not a positive unneutral act, would be a long step in that direction and may lead us into war.

It may be that some of those who are advocating the expenditure of this money, if Finland gets it, for war materials have within their district munition factories and armament factories; and it may be that their interest in this bill is actuated by that fact. Mr. Chairman, they propose at the expense of the farmers of this country and at the expense of the nonmilitary manufacturers of this country to increase our export trade by the expenditure of this money for the purchase not of agricultural products, not of manufactured products outside of war materials, but for munitions of war, implements of war, and war materials. If they want to go to the country on that kind of an issue and say that we are furnishing this money in order to encourage the manufacture of war materials rather than to encourage the production and export of agricultural products in the interest of the farmers of this country and in the interest of those people who are engaged in civil pursuits, they can do so. As for me, I will not go along. Someone said that the mind of this country is on the question whether we are going to help Finland or not. The question in the minds of the people of this country is, as it has been for the last 6 months, Shall we keep out of this war? I receive communications every day from peace societies, from fathers and mothers, and young men all over the United States, hoping and praying that we will do everything possible to avoid war. If we pass this amendment and announce to the world that we are making a loan here for the purpose of purchasing and exporting war materials, it will be a long step toward leading us into war and arousing the feelings of the people of this country who are already uneasy and disturbed.

Mr. Chairman, by all means this amendment must be voted down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN (Mr. PARSONS). All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. CELLER] to the amendment offered by the gentleman from Connecticut [Mr. MILLER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

Mr. BOLLES. Mr. Chairman, may we have the amendment read?

The CHAIRMAN. Without objection, the Clerk will again report the Miller amendment.

There was no objection.

The Clerk again read the Miller amendment.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 49, noes 106.

Mr. MILLER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, my amendment was in substance similar to the one offered by the gentleman from Connecticut [Mr. MILLER]. Since his amendment has met such an ignominious defeat at the hands of this House, I will keep my amendment in my pocket.

Mr. FISH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 1, line 5, after the word "thereof", strike out "\$200,000,000" and insert "\$120,000,000, of which \$20,000,000 is to be lent to the Republic of Finland or the agencies and nationals thereof."

Mr. WILLIAMS of Missouri. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes on this amendment, because it is a major amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Chairman, the New Deal goes around, around, and around, and comes out where? With 10,000,000

unemployed, with a deficit of \$25,000,000,000 over income, and with one-third of our people underfed, badly clothed, and badly housed, yet the Democratic majority seriously proposes by this bill, after what occurred yesterday in Ohio, in which State two Republican candidates to the House of Representatives were overwhelmingly elected, to vote \$100,000,000 of the people's money to finance European nations. *Magna est veritas et praevalerebit*—truth is mighty and will prevail.

What are the facts in regard to this bill? Let us strip the camouflage from it, clear away the smoke screen, and see what we are doing. It is not a bill primarily to help Finland. This is a bill providing \$100,000,000 to make loans to Denmark, China, and other nations not for the purpose of trade or commerce but for relief or quasi-war purposes. This is identical with what occurred back in 1919 when we lost our shirts to foreign powers and did not get back one cent in return except from little honest Finland.

When you Democratic Members vote for this bill—and that is where the vote will come from—you are deliberately voting to turn the United States of America again into an international Santa Claus and make it the financial angel to finance European nations, when at the same time the Congress of the United States is deliberately cutting down on relief and on farm subsidies. By this bill we will be subsidizing foreign nations when at the same time we are cutting down on our own relief and subsidies, and even while American citizens are being evicted from their homes. It is now seriously proposed by the Democratic Party to make additional foreign loans of \$100,000,000 to Denmark and Scandinavian countries, to China, to Bulgaria, to Rumania, and other foreign nations that might involve us in war; not to South American nations for the purposes of trade, but simply to extend relief to European nations and finance them with American money as a matter of policy, forgetting our own unemployed—and the political revolt spreading against the excessive expenditures by the Federal Government at Washington.

The loan to Finland is the bait or lure held out to persuade Congress to authorize \$100,000,000 additional foreign loans. We are to stop home relief and provide for foreign relief. I wonder what the American people back home will think of the Democratic Party and the internationalists again embarking on a big-brother loan campaign as we did in 1919 under our post-war loan policy, all of which have been repudiated except by the Republic of Finland?

The proposal I am making is a very simple one. I have reduced the authorization from \$100,000,000 to \$20,000,000, and that \$20,000,000 is to go to Finland. That is the single exception I am willing to make in furnishing loans to foreign nations and I believe the American people want it done. But the American people do not want us to authorize the expenditure or turn over to a subordinate agency of the Government without any control by the Congress the making of loans to foreign nations for relief or as a matter of international policy, particularly at this time when it may possibly involve us in a war.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. SOUTH. If the gentleman believes loans to the other Scandinavian countries will involve this country in war, how does he justify the proposition to make a loan to Finland? In other words, will a loan to Norway be more likely to involve us than a similar loan to Finland?

Mr. FISH. I spoke on that subject yesterday and gave my reasons for making one exception, the Finnish loan. It is because, first, I believe it would not involve us in war with Soviet Russia, and second, because I think Finland is fighting for democracy, Christianity, and civilization against the spread of communism. For those reasons I am willing to make that exception. But if because we make a loan to Finland it is going to follow that we must make loans to the rest of the world, then I would be even against the loan to Finland. If I believed that a loan to Finland would turn the United States into an international Santa Claus for the purpose of financing foreign nations, then I would be against a Finnish loan. That is why I am offering this amendment, so the Members can have a chance to vote for \$20,000,000 for

Finland and at the same time reduce the amount in the bill \$80,000,000. Moreover, there is \$30,000,000 left in the Export-Import Bank with which Mr. Jesse Jones can make loans to other nations, but I hope he will make them to Latin American nations to promote our trade.

When we voted \$100,000,000 originally it was primarily for loans for trade purposes, and commerce with South and Central America. Now, we are about to depart from that policy. Of course, if we tell the truth about these loans, they are to finance European nations at the present time for relief and maybe for war purposes.

If the Democratic Party wants to go before the country and say that it is willing to finance foreign nations to the extent of \$100,000,000, that is their privilege. There is nothing we, on our side, would like more than to be able to expose the internationalism of the New Deal at the expense of destitute and unemployed American citizens, and the peace of our country. But when it comes to a Finnish loan, I believe both sides want to support such a loan, at least to the extent of \$20,000,000. If I wanted to help elect additional Republican Members of Congress, I would say more power to you, put through the \$100,000,000 and then go back to your farmers and your wage earners when you reduce their benefits and relief, and ask for their approval of your again making Uncle Sam the Santa Claus for foreign nations.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Does not the gentleman believe that since the last war, in which we fought for the principles of democracy, the people have tried to make it very plain that they do not want to finance another foreign war purely to defend the principles of democracy?

Mr. FISH. If you put the question of financing any more of these foreign nations to a vote, 99 percent, Republicans and Democrats, would vote against it. When it comes to the Finnish provision, however, everybody knows that Finland paid its bills. It is the only nation that did. All the nations repudiated the loans we made them after the Armistice, and even repudiated the interest on the loans we made them after the Armistice, except little, honest Finland, and I say thank God for little, honest Finland. She stands alone in a category by herself.

Miss SUMNER of Illinois. I want to thank the gentleman for putting it on the principle that he feels it is because Finland has done something for the United States. I believe the gentleman will agree with me that the only right a Congressman has to vote money is when it is done for the welfare of the United States and in payment of services rendered or to be rendered.

Mr. FISH. That is one reason, certainly. There are other reasons. Another reason is that we represent the people. Even the President of the United States, with whom I do not agree very often, said that he thinks 98 percent of the people are for this proposition. Therefore I am willing to go along; if it is the will of the people that we should do something for Finland now. Let us do it, openly and immediately, and let us do it ourselves and instruct the Export-Import Bank to make a specific loan of twenty millions to Finland. If we do not make it, the Communists, "reds", fellow travelers, and all subversive elements will rejoice; but the decent, loyal, democratic, peace-loving American people will hang their heads in shame.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. BARRY. The gentleman distinguishes Finland. Does not the gentleman know that little Norway, Sweden, and Denmark never even touched us for a loan?

Mr. FISH. I know that, but, as I have previously stated, I am willing to make the exception to the rule for Finland. I am against all foreign loans with that one exception. If you are going to loan to Finland and then say that because we loaned money to Finland we must loan to China, and then we have to loan to Denmark, Czechoslovakia, Rumania, and all the rest, where are you going to stop? Do you want us to

finance the entire world in view of our sad experience after the World War?

Mr. BARRY. The gentleman seems to favor a country that borrowed money rather than the countries that never borrowed at all.

Mr. FISH. I favor the country that paid its bill, and that is Finland, and I favor no other country. I am against all foreign loans except for trade purposes with Latin America. If you want the responsibility, if you Democrats want to be the international Santa Claus, and take that issue to the country—that your party wants to finance these nations for relief and war purposes—that is your lookout. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Missouri [Mr. WILLIAMS] insist upon his point of order?

Mr. WILLIAMS of Missouri. I withdraw the point of order, Mr. Chairman, and I would now like to see if we can limit the debate on this amendment and all amendments thereto. I would suggest that debate close in 15 minutes.

Mr. TABER. Mr. Chairman, I think we ought to have at least 30 minutes of debate.

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. MASSINGALE. Mr. Chairman, reserving the right to object, I would like to ask the gentleman a question. I have not said a word on this bill and I would like to have 5 minutes and I believe that any man who wants to talk on it ought to have 5 minutes, and let us not screw them down so tight.

Mr. WILLIAMS of Missouri. I do not believe I have been too tight on anybody so far. We have been talking a long time on this bill.

Mr. MASSINGALE. I have not, but the Committee has.

Mr. WILLIAMS of Missouri. I have no disposition at all to try to limit the debate unreasonably, but we must come to some kind of limitation here and I have suggested 20 minutes.

Mr. MASSINGALE. I object, Mr. Chairman.

Mr. WILLIAMS of Missouri. Then I will ask that the debate be limited to 30 minutes.

Mr. MASSINGALE. I shall not object to 30 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes. Is there objection?

Mr. SCHAEFER of Illinois. I object, Mr. Chairman.

Mr. FISH. I hope the gentleman will not object, because that is ample time.

Mr. WILLIAMS of Missouri. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. GORE. Mr. Chairman, there are two parts of the gentleman's amendment which must have attention in a very brief time. The gentleman from New York [Mr. FISH] first proposes to reduce the amount from \$200,000,000 to \$120,000,000, thereby precluding any increase in the lending authorization to any applicant other than the Government of Finland.

The gentleman asks, "What are you going to say to your farmers and to your workers?" I must ask the gentleman, What will he say? In one loan which this bank has made there has been made possible the exportation of locomotives by which over 7,000,000 man-hours of work were provided in American shops. The American farmer, manufacturer, and laborer are benefited by the operations of this bank. Exportation of agricultural and manufactured products is facilitated.

The gentleman would curtail this Export-Import Bank, which is a sound and safe operation, as an agency of the Government, and which has made a net earning of over \$5,000,000 and has not had a single loss. What will his answer be to his farmers and workers?

Then, by this amendment the gentleman would make a direct mandate of a loan to Finland. In order to properly analyze that, it is necessary to examine just what has been

done by the Export-Import Bank with respect to Finland. One \$10,000,000 loan has been made, and, Mr. Chairman, it was made quietly and without the fanfare that would be necessarily attendant upon the passage of this amendment. It was clothed with commercial activity and with economic justification, and the entire amount has not yet been used.

The Senate Committee on Banking and Currency, the great Senate Committee on Foreign Relations, and the Senate itself declined to accept similar provisions to this amendment. We can assume and we can presume that the President of the United States and our State Department and the Senate have a sympathy for Finland equal in fervor, intensity, and sincerity to that of the gentleman from New York. Yet from them there is forthcoming no recommendation for a direct loan to Finland. Instead of loans, which may or may not be made without a lot of fanfare; instead of a loan which, if they meet the requirements of the bank as to repayment, meeting commercial requirements, may or may not be made to any applicant or country according to the Administrator's judgment, he would substitute a direct mandate, which would be heralded to the world that this Government by congressional action has committed an overt act of partiality and has to that extent taken sides in this conflict which is now raging.

Ah, we can remember in the special session the gentleman raising his voice in warning. We can hear it now, echoing, as he yielded to the temptation to appeal to the fear in this country and to the scare of war. Can you not hear his cry of "War," with all his vehemence and eloquence? Where is that great isolationist now? He comes here now advocating a direct loan by the Government per se to one country, mandating a loan to that country, and his reason, given in the Rules Committee, for this exception to his policy and his advocacy in the special session on neutrality was that his reasons were obvious. In my opinion, Mr. Chairman, the reasons are entirely too obvious to serve his purpose. The hue and cry in this land of ours is to make safe the operations of this Government, and to make safe the people of this country from involvement in the war. Enactment of this amendment would constitute an overt act. I do not contend that it would necessarily lead to war, but it is a dangerous step which I am unwilling to take at this time. And beneficial though I consider the Export-Import Bank, urgent though I consider the need to increase its authority to make loans to aid exportation, nevertheless, if this amendment is adopted, in my humble judgment, passage of the bill would then be of doubtful advisability. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] for 4 minutes.

Mr. TABER. Mr. Chairman, I think we ought to have in mind very clearly just what this bill is to do. On page 36 of the hearings we find the following:

MISS SUMNER. But we would have to authorize \$100,000,000 before you could make a \$10,000,000 loan to Finland?

Mr. JONES. Well, I do not know about that definitely.

MISS SUMNER. Did not I understand you to tell me yesterday that in order to make a \$10,000,000 loan we would have to authorize \$100,000,000?

Mr. JONES. I do not think the bill ought to be based on that assumption. I think if you do not want to pass this bill for general purposes, it should not be passed.

We have had this bill heralded from one end of the country to the other as a bill for a loan to Finland. Mr. Jones, on page 71 of the hearings, said:

Therefore let us forget about Finland.

I cannot see any sense in voting for a bill on false representation. I would not oppose a bill carrying a moderate loan to Finland to help them out, but what is the program with reference to this bill? On page 74 of the hearings it appears in the beginning of Mr. Jones' testimony on that page that there were commitments of \$20,000,000 to Finland, \$20,000,000 to China, \$10,000,000 to Sweden, \$10,000,000 to Denmark, \$10,000,000 to Norway, leaving \$10,000,000 perhaps to expand South American trade. Frankly I cannot see any sense in our going into the promiscuous business of loaning

money to foreign countries, to let them come in here and buy arms and ammunition. If we are going to loan a lot of money to Finland, let us do it. At the same time let us issue a proclamation along the lines of the Neutrality Act which will prohibit some of these shipments to Russia. Russia today is taking out of here gasoline, munitions, copper, and all sorts of things which she is using to clean up Finland. We are working at cross purposes in financing foreign countries to carry on war and I want to see that limited just as far as it can be limited. I would like to see it cut. I am going to vote for this amendment because I want to see it cut to \$20,000,000, and then it will specifically provide that that money shall go to Finland, and not be scattered all over the lot.

The CHAIRMAN. The time of the gentleman from New York has expired. The Chair recognizes the gentleman from Oklahoma [Mr. MASSINGALE] for 4 minutes.

Mr. MASSINGALE. Mr. Chairman, I expect that I shall make the kind of a talk here that will classify me as a warrior. I do not know, but I am fed up in this debate with what might be termed the livid, ashen complexion of some of the Members of this House when we come to talk about extending real relief to that country, Finland, than which no greater has ever existed in the history of this world, in my judgment. There is no use in singing any further the praises or heroics of Finland. That country is face to face now with a most serious proposition, and what is the Congress of the United States going to do about it? Are we going to sit here in our flatulence and say, "No; we are afraid to do anything"? We say it is risky to loan to the Finns, yet we loan to Russia to get the material with which to murder the Finns. If we do not violate our neutrality by making loans to Russia, why is it violating any rule of right to make loans to Finland? Frankly, I feel we are shirking a great responsibility to society, decency, and democracy to fail Finland and continue to ship implements of war to Russia. My sentiments are wholly for the Finns. If I had my way about it, I would use every ship we have in the United States Navy to go over there and rescue those people, and the United States Navy could do it, and we would be in no danger of involvement in this war; or if we were in danger of it, then I would say meet the danger and meet it like men did in the years gone by when this country was in distress. The question has been asked—and we are confronted with it—Where would we be today if in 1776 we had had the type of statesmanship that seems to control the Congress of the United States in 1940? We cannot afford, in my judgment, to just sit here and raise a whirlwind and not take an active step and give to Finland that which Christianity and decency and morality all say we should. I am willing to assume my part of the responsibility. [Applause.] We should not withhold a single penny of credit they may want to defend themselves against the greedy, godless, and murderous bunch of Russian Communists. We need not fear war from them. They have no respect for God or Christianity, but they have respect for the guns and fighting qualities of our seamen.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The Chair recognizes the gentleman from Kentucky [Mr. CREAL] for 4 minutes.

Mr. CREAL. Mr. Chairman, I have heard it said that a man's body changes every 7 years, but I have never read how often he has the privilege of changing his mind. During the last regular session and the special session the peacetime party was on our left. The President was duly scolded, denounced, and harangued because he expressed an opinion, and he was condemned for giving an interview as to whom he thought was the aggressor. No gentleman was louder in that than the gentleman from New York [Mr. FRISH], whose amendment is pending. He said that they should keep their mouth out of it. In other words, play the ostrich like we did not know anything was happening on the other side at all.

When I say that the left has become the war party, I am also reminded of the amendment offered by the gentleman from Connecticut when he opposed the neutrality amendments. His description of the horrors of the battlefield lingers with me yet. He said he wanted it to be said that you could

not find any shells on the battlefields of Europe labeled "Made in America." Now, this war veteran reaches clear over himself and wants the Government officially to give notice to all governments of the world that the American Congress has completely reversed itself from the position it occupied then, and to say that we are in favor of helping Finland with a direct Government loan.

Now the loan is limited by the amount we are voting in the Export-Import Bank, but a direct Government loan is presumed to be unlimited, if we start on the other program of making direct loans out of the Federal Treasury.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. WILLIAMS of Missouri. I do not have the time. The time has been limited.

The CHAIRMAN. It is impossible to entertain that request, because the time has been fixed.

Mr. WILLIAMS of Missouri. The time has been fixed.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD], a member of the committee.

Mr. CRAWFORD. Mr. Chairman, in view of the fact that this bill has to do with an increase in the capital structure of the Export-Import Bank, presumably it was for the purpose of facilitating exports, and I wish to make comment on another phase of the same type of activity.

There is the proposed inter-American bank, and the purpose of it is to facilitate exports. If that goes into operation, then why should we increase this \$100,000,000? By reason of the fact that I am opposed to the increase of \$100,000,000, then I am in favor of reducing this increase to \$20,000,000.

The proposed inter-American bank would have its legal foundation in a convention between the participating republics. A draft of the convention, as well as a draft of the proposed bylaws, has been submitted by the Inter-American Financial and Economic Advisory Committee.

The draft convention in its first article contained the following significant sentence:

The United States of America also agrees to grant to the bank a charter substantially in accordance with the proposed charter, annexed hereto.

The draft of charter of the Inter-American Financial and Economic Advisory Committee on February 6, 1940, carries the following important note just below the title:

Such charter to be granted by an act of Congress of the United States of America.

Now, from what I have just read two things are perfectly clear:

First. The bank cannot come into existence until the convention is ratified by the United States Government.

Second. The bank cannot come into existence until the Congress of the United States issues a charter.

But if the two points just mentioned are clear, it is also clear from the text of the proposed convention which I have just quoted that ratification of the convention by the United States Government involves the Congress of the United States in a specific commitment to issue the bank's charter.

If the executive branch of the United States Government signs the proposed convention and if the Senate ratifies it, those steps, therefore, will commit the Congress to charter this international bank.

But there seems to be another possibility. This is the possibility that the executive branch of the Government may alone ratify the convention and that the convention may go into effect without being submitted to the Senate at all. If that happens, it will amount to the executive branch of the United States Government obligating the Congress of the United States to the issuance of a charter for an international bank in which at the outset not less than \$5,000,000 of the American people's money, and more likely \$13,000,000 will be invested.

Is it conceivable that the proposed convention may be put into effect without specific and formal approval by the Senate? I think it is. Many international agreements have been

entered into by the American Government without the specific endorsement and approval by the Senate. Treaties, the Constitution says, must be submitted to the Senate for ratification. But not all international agreements are called treaties. If it is not a "treaty," it does not go to the Senate for approval.

Thus, for example, the well-known London silver agreement of 1933, entered into at the time of, but outside of, the World Economic Conference. That notorious document, under which the United States undertook to do a great deal for the world's sellers of silver with virtually no corresponding contribution from the beneficiaries of the agreement, was never ratified by the Senate.

It was never even submitted to the Senate. Perhaps the administration thought that it was sufficient that the agreement had been signed by a Member of the Senate who went to London for the purpose. Who gave that Senator authority to thus commit the United States is, incidentally, a matter that has never been made clear to me.

But the important point I wish to make here today is this: The London silver agreement was ratified in the White House, and not in the Senate. It was ratified by an "Executive proclamation." It was conveniently classified in the State Department's records as an Executive agreement. Its official designation is "Executive Agreement Series No. 63."

All of this was done through clever prearrangement. The text of the United States inspired London silver agreement as worked out in a smoke-filled London hotel room contained the following important and unusual provision:

A notice by any Government that the affirmative action necessary to carry out the purposes of this agreement has been taken will be accepted as an instrument of ratification.

And the agreement added:

The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this agreement.

Under the provisions the President on December 21, 1933, issued a proclamation which for 4 years committed the people of the United States to the purchase of all newly mined domestic silver—not merely the quantity set down in the London document—at a return or price of about 64½ cents an ounce, which was equivalent to 50 percent more than the then market price. Subsequent Executive proclamations increased the subsidy to more than 77 cents an ounce.

The 1933 proclamation was regarded by the Government as constituting affirmative action under the terms of the London silver agreement and a copy of the proclamation was duly filed in the State Department archives as America's instrument of ratification.

The London silver agreement was officially known by the innocuous title "memorandum of heads of agreement," and so forth.

So it seems to me that the logical thing and the important thing and the right thing for us to do is to cut this \$100,000,000 increase to \$20,000,000 if possible or to eliminate the whole increase and defeat the bill if possible.

So I hope that this amendment will be supported and that not to exceed \$20,000,000 will be added to the capital of this bank.

One day we propose and appropriate money with which to subsidize exports in order to increase our out-bound trade. Another day we enact reciprocal trade agreements authority for the purpose of increasing our out-bound trade. Then we let our emotions take control and we repeal previous acts that encourage exports of foodstuffs and take steps that induce foreign countries to materially reduce their purchases of agricultural products grown on American farms, and we thus make the farmer suffer. And here we are today kidding ourselves into believing that a little \$100,000,000 will greatly aid our exports when we know full well the net effect of the program, if it is greatly expanded, will be to discourage investment of American funds in Latin American countries and prevent their development on a large scale that would, if permitted to occur, create a vast market for our exports greater by many times than the Export-Import Bank can ever hope

to develop even if we should expand its capital 10 times. When will we ever stop our foolishness?

The CHAIRMAN. The gentleman from Michigan [Mr. Hook] is recognized.

Mr. HOOK. Mr. Chairman, as this House knows, I repeatedly urged an unrestricted loan to Finland, but I certainly must oppose this amendment, because I think it is a subterfuge in the guise of offering a loan to Finland because of the fact that I honestly believe it is for the very purpose of defeating the bill. It reduces the authorized increase for the bank down to \$20,000,000 and provides for a loan of \$20,000,000 to Finland. I do not believe that was the purpose of the amendment at all. I think the amendment was offered to kill the bill in its entirety.

I have in my hand certain cards, mimeographed postcards, that were sent to me when I introduced the original Finnish loan bill. The cards all protest granting a loan to Finland. I went to considerable trouble in having the names of the senders of these cards checked. These cards were sent to my office by known Communists. As I listened to some of the arguments on the question of this foreign loan I was amazed by the similarity of these arguments and the Communist protests I received. May I quote:

I wish to express opposition to your proposed \$60,000,000 loan to Finland. It would be more proper for you to take action against the war budget. I am actuated by my desire to keep our Nation out of the war and consider your championing of foreign loans the first step toward our involvement.

That is what the Communists have to say against a loan to Finland. I ask you, Is not the same identical argument, are not the same identical words being used here today by Members of the House who would oppose this loan to Finland? Let me read from another one of these cards:

You propose a \$60,000,000 loan to Finland. I am opposed to such foreign loans as a step toward involvement of our Nation in the present war.

That communistic inspired propaganda is a sample of the opposition to an unrestricted loan.

On the other hand, I have here a petition that came from good, honest, loyal American citizens who are interested in the actual loaning of money to Finland and to help Finland out, and also interested in favor of this Export-Import Bank bill.

Let me read you the letter which accompanied this petition.

PELKIE, MICH., February 21, 1940.

HON. FRANK E. HOOK,
Member of United States House of Representatives,
Washington, D. C.

DEAR SIR: We, the undersigned, wish to express our heartfelt appreciation of your favorable attitude toward Finland, in the matter of extending her financial aid. We know you agree with us that the Finns are shedding their blood in a heroic battle to prevent Russia from invading their country, and enslaving their people in the throes of Stalinism. Stalinism is the present grave threat to civilization, and Russia, in this respect, is avowedly a common enemy of all democracies; of governments "of the people, for the people, by the people." If we deny Finland aid in her struggle for life, we are aiding Russia in crushing her, and strengthening her to conquer other little nations, and eventually the United States too; because her program is confessedly world-wide Sovietism.

The purpose of this petition from people who are your constituents, is to most ardently appeal for your utmost cooperation in trying to get a substantial loan for Finland, not for food and clothing only but for munitions too, because without such aid she is doomed to destruction. To make Finland a loan without restrictions as to the use of the money, would be no more a breach of neutrality than it is to sell Russia gasoline in enormous quantities, with which to bomb Finnish civilians, hospitals, and churches; but on the contrary, it would be rendering a great service for humanity.

For God's sake, let us all unite in stopping the Russian bear from thrusting her bloody claws deeper in the flesh of innocent women and children.

A loan to Finland will help to stop Russia. If we do not provide pebbles for David's sling to stop Goliath in his brutal effort to destroy an honorable, peace-loving, democratic, friendly nation, Finland, we should bow our heads in shame. Neutrality would be no cloak to cover our heartless attitude toward the suffering of our fellow men, especially when Finland's victory would be our victory, too, and that of many other nations who are dreading the fate of Finland in respect to Russia.

It must be readily conceded that Finland is continuing the World War "to make the world safe for democracy," and as an ally in the World War for that great cause, it is the duty of the United States to give Finland financial aid, especially when she is not asking for men but only for a comparatively small war loan. Isn't it a shame

to deny Finland the munitions, when she is willing to do the fighting without our manpower? If dictators emerge from this struggle, then our Revolutionary War, our Civil War, and our World War have been fought in vain, as far as the present and future generations are concerned. Finland is asking for a loan to shield herself from the inhuman brutalities of Stalin and his destructive forces; not as the aggressor nation, as is well known.

War is terrible in any case; but "Give us liberty or give us death" is the attitude of the Finns, and if other democratic nations join her in the same spirit, "governments of the people, for the people, and by the people, shall not perish from the earth."

In the name of justice, in the name of Christianity, and everything it stands for, let us not procrastinate in this matter until it is too late to help Finland.

Our President, too, recently expressed the opinion that 98 percent of the American public are in sympathy with Finland in their war. We dare contend that very few, if any, truly fear that a war loan to Finland would drag us into the conflict to the extent of sending men overseas. In view of our condemnation of Russia for her invasion of Finland, it surely would neither be political suicide to help Finland in her tribulation.

We beseech you, dear Mr. Hook, to enlist still greater energy in behalf of Finland in her efforts to obtain a direct war loan from the United States. Needless to say, not only the following petitioners but millions of others in America and in other countries who are living in dread of Russia will be deeply grateful for your efforts in this vital matter which concerns us all.

Respectfully submitted, in behalf of

PELKIE FINLAND RELIEF COMMITTEE,
MATT OJA, Chairman.

I just want to show you this petition. For instance, there is an illustration of it. These are real American citizens. Any Member who argues against all foreign loans through the Export-Import Bank, or any legitimate loan, to eligible nations has definitely and positively used the same argument the Communists are using on the cards sent to my office and other offices of the Members of this House.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. MILLER] for 3 minutes.

Mr. MILLER. Mr. Chairman, I rise in support of this amendment, if I may safely do so without having my motives impugned. In the heat of debate it was charged by my chairman that I introduced my amendment because there are in my district munition manufacturers and aircraft manufacturers. I readily admit that both industries exist in my district, but I want the RECORD to show that during the special session I voted to continue the arms embargo that would have raised havoc with some of the largest industries in my district. I regret exceedingly that my friend from Missouri [Mr. WILLIAMS], acting chairman of my own committee and a man whose fairness I have admired, should have seen fit to question the sincerity of purpose that was mine when I offered the amendment just defeated.

No Member has yet stood in the Well of this House and told us how it could be neutral for Mr. Jones to make a loan through the Export-Import Bank to Finland, but be unneutral for this Congress to indicate its desire that Mr. Jones make such loan.

I would gladly vote today for a bill that would place a definite embargo on all arms, munitions, and implements of war to any country at any time and under any condition. I would stop all loans to any country until our own Budget is balanced and all our own people properly fed, housed, and clothed, while gainfully employed; but this Congress and this Government, in its wisdom, has declared that our policy shall be to ship such munitions. I yield to the will of the majority, not only the majority of this House, but the will of the majority party. I do urge, however, that if we are going to furnish arms, munitions, and implements of war to the Russian Government in the prosecution of its attack on Finland, we should render this aid to the victim of the aggressor—the grand little republic of Finland. [Applause.]

To the gentleman from Kentucky, who preceded me, I will say: I have not changed my position. I stand on what I said during the neutrality debate. I would still keep out of Europe's quarrels if this Congress had permitted us to keep out and not insisted on a program of buying gold, thus making it possible for Russia to maintain her war machine. I hope the gentleman will also remember these words, as long as he has remembered my words spoken last October. I say to him

that if we refuse to respond to the appeal of Finland now, but sit idly by and see Russia destroy liberty, freedom, and religion, we can hang our heads in shame as we inspect the ruins of Finland.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired; all time has expired.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. FISH) there were—ayes 35, noes 82.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3069, pursuant to House Resolution 398, he reported the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendments.

The amendments were agreed to.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. Miss SUMNER of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman from Illinois opposed to the bill?

Miss SUMNER of Illinois. I am.

The SPEAKER. The gentlewoman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Miss SUMNER of Illinois moves to recommit the bill to the Committee on Banking and Currency with instructions to that committee to report the same back forthwith with the following amendment: On page 1, line 5, after the word "thereof", strike out "\$200,000,000" and insert "\$120,000,000."

Mr. WILLIAMS of Missouri. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 168, noes 51.

So the bill was passed.

By unanimous consent, a motion to reconsider the vote whereby the bill was passed was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation:

FEBRUARY 28, 1940.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby hand you my resignation from the Committee on Flood Control of the House of Representatives.

Respectfully yours,

JOHN R. MURDOCK,

Member of Congress from Arizona.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. BUCK. Mr. Speaker, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 405

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Labor: JOHN F. HUNTER, of Ohio.

Census: JOHN R. MURDOCK, of Arizona.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few excerpts from a speech by Mr. Isaac Fisher.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. NORRELL]?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the Schuylkill River Valley Restoration Association.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement in opposition to the St. Lawrence seaway and power project submitted by the Niagara Frontier Planning Board.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SCHWERT]?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two letters.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. D'ALESSANDRO]?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement with regard to the Finnish loan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOOK]?

There was no objection.

PAN AMERICAN AIRWAYS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, a few days ago there was introduced in the other legislative body a bill by Senator CLARK of Missouri which proposes to amend section 2 of the Neutrality Act of 1939 in such a manner as to forbid the landing in Bermuda of any aircraft transporting United States mail.

BERMUDA STOP IS CANCELED

In news stories yesterday, as an almost automatic response to the legislative intent of S. 3360, there was an announcement by Pan American Airways that the scheduled Bermuda stop on the east-bound trip to Europe would be omitted. These two actions were precipitated by the unneighborly interference on the part of British censors with the free dispatch of the United States mails.

The United States is a neutral nation. We have legislatively declared our policy of neutrality. We intend, however, that our policy shall be effectuated without the sacrifice of any of our rights and privileges as a neutral nation. It is hardly understandable, therefore, why aircraft of American registry should be subjected to search and seizure, which amounts to a flagrant violation of a neutral's rights.

INVASION OF PEACEFUL RIGHTS

We fully realize that Bermuda is a British possession and that Great Britain is at war. But no legitimate conduct of war can justify an invasion of the right to peaceful pursuit of commerce. The intervention of British censors in this case is clearly an illegal and unwarranted abrogation of the code of international law.

The decision of Pan American Airways apparently avoids the development of a situation which might have had serious consequences. As an advocate of the peaceful method for the settlement of all disputes, I am happy that such a simple expedient is corrective of that situation. Yet the implications of the wrong inflicted upon the sovereignty of the United States are not diminished one iota.

The storm of outraged indignation which followed the incident should serve as a warning that this Nation will not

tolerate any meddling interference with its right to free international intercourse. The channels of unfettered communication should not be polluted with the backwash of a foreign war to which we have assumed a position of strict neutrality.

WILL PROTECT OUR COUNTRY

We have pledged ourselves to the proposition that the Western Hemisphere shall remain inviolate, and we should take every legitimate means to let Great Britain, or any other belligerent nation, know that we intend to keep that pledge. [Applause.]

RECOGNITION OF CIVILIAN NURSES

Mr. SOMERS of New York. Mr. Speaker, on February 9, the bill (H. R. 8394) to provide for suitable recognition of the voluntary services of civilian nurses with the Army during the influenza epidemic was referred to the Committee on Coinage, Weights, and Measures. It has been the practice of the Congress to consider these measures through the Committee on Military Affairs, and I therefore ask unanimous consent that the bill may be rereferred to the Committee on Military Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SOMERS]?
There was no objection.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of pollution and to include therein certain quotations and editorials.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?
There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made in Committee today and to include certain excerpts in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?
There was no objection.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. How long will the House be in session today before the special orders are taken up?

The SPEAKER. The Chair, in the first place, does not think that is a parliamentary inquiry and, in the second place, could not answer it if it were.

Mr. RICH. Mr. Speaker, I want to serve on the Committee on Appropriations, of which I am a member. I do not care to stay here if we are going to have general debate; and if the House remains in session until after 5 o'clock, I do not want to make my speech this afternoon.

The SPEAKER. The nearest the Chair can come to guessing at a correct answer to the inquiry is to suggest that if the gentleman will remain in the Chamber for a few minutes he will find out what the House is going to do.

AMENDMENT OF BONNEVILLE PROJECT ACT

Mr. GAVAGAN. Mr. Speaker, I call up the conference report on the bill (H. R. 7270) to amend the Bonneville Project Act, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. GAVAGAN]?
Mr. CARTER. Mr. Speaker, reserving the right to object, I understand this is a conference report on the Bonneville project bill, and that it is the unanimous agreement of the conferees. There are no controversial features to it?

Mr. GAVAGAN. The gentleman is correct.
The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7270) to amend the Bonneville Project Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter contained in the Senate amendment, insert the following:

"That section 2 (a) of chapter 720 of the Acts of the Seventy-fifth Congress, first session (50 Stat. 731, 732), is hereby amended by inserting after the second sentence ending 'in the vicinity of the Bonneville project,' the following sentence: 'The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an Assistant Administrator, chief engineer, and general counsel and shall fix the compensation of each at not exceeding \$7,500 per annum. The Assistant Administrator shall perform the duties and exercise the powers of the Administrator, in the event of the absence or sickness of the Administrator until such absence or sickness shall cease, and, in the event of a vacancy in the office of Administrator until a successor is appointed.'

"Sec. 2. Section 2 (a) of said Act is hereby further amended by adding at the end of said section the following:

"The office of the Administrator of the Bonneville project is hereby constituted an office of the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the Administrator of the Bonneville project under this Act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the Administrator and other personnel of the project."

"Sec. 3. Section 4 (b) of the said chapter is hereby amended by striking out the words and figures 'January 1, 1941' wherever they occur therein and by substituting in lieu thereof the words and figures 'January 1, 1942'."

And the Senate agree to the same.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DE ROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,

Managers on the part of the House.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) an act to amend the Bonneville Project Act, submit the following written statement explaining the effect of the action agreed upon:

The Senate amendment struck out all of the House bill after the enacting clause, and in its amendment included a good part of the House bill. The effect of the amendment on the House bill is as follows with additions by the Senate in italics and the parts stricken out within black brackets:

"A bill to amend the Bonneville Project Act

"Be it enacted, etc., That section 2 (a) of chapter 720 of the acts of the Seventy-fifth Congress, first session (50 Stat. 731, 732), is hereby amended by inserting after the second sentence ending 'in the vicinity of the Bonneville project,' the following sentence: 'The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an assistant administrator, [and a] chief engineer, and general counsel and shall fix the compensation of each at not exceeding [\$7,500] \$8,000 per annum. The assistant administrator shall perform duties and exercise the powers of the administrator, in the event of the absence or sickness of the administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of administrator until a successor is appointed.'

"Sec. 2. Section 2 (a) of [the] said [chapter] act is hereby further amended by adding at the end [thereof] of said section the following [sentences]: 'The office of the administrator of the Bonneville project is hereby constituted an office in the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the administrator of the Bonneville project under this act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the administrator and other personnel of the project.'

"Sec. 3. Section 4 (b) of the said chapter is hereby amended by striking out the words and figures 'January 1, 1941' wherever they occur therein and by substituting in lieu thereof the words and figures 'January 1, 1942'."

"Sec. 3. Section 10 of such act is amended by adding at the end thereof the following: No engineering inspector, surveyor, field draftsman, field engineer, or other field engineering employee appointed under the provisions of this section shall, except in the case of an extraordinary emergency, be required or permitted to work more than 40 hours in any workweek."

Passed the House of Representatives July 31, 1939.

As a result of the conference the House receded from its disagreement to the change by the Senate to the House bill in that the provision in the first section and general counsel is agreed to.

The Senate receded from its amount for compensation in section 1 which reverted to the House figure of \$7,500. Also section 3 of the House bill is restored and section 3 of the Senate bill is stricken out.

The effect of the provisions of this bill on existing law are shown as follows with the new matter printed in italics and the language stricken out printed within black brackets:

"CHAPTER 720, PUBLIC, NO. 329, SEVENTY-FIFTH CONGRESS, FIRST SESSION (50 STAT. 731, 732) (SECTIONS AFFECTED)

"Sec. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said Administrator as hereinafter provided. The Administrator shall be appointed by the Secretary of the Interior; shall be responsible to said

Secretary of the Interior; shall receive a salary at the rate of \$10,000 per year; and shall maintain his principal office at a place selected by him in the vicinity of the Bonneville project. *The Secretary of the Interior shall also appoint, without regard to the civil-service laws, an Assistant Administrator, chief engineer, and general counsel, and shall fix the compensation of each at not exceeding \$7,500 per annum. The Assistant Administrator shall perform the duties and exercise the powers of the Administrator, in the event of the absence or sickness of the Administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of Administrator until a successor is appointed.* The Administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Bonneville project not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, a representative designated by the Secretary of the Interior, a representative designated by the Federal Power Commission, and a representative designated by the Secretary of Agriculture. The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin. The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the Administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy. The Secretary of War shall schedule the operations of the several electrical generating units and appurtenant equipment of the Bonneville project in accordance with the requirements of the Administrator. The Secretary of War shall provide and maintain for the use of the Administrator at said Bonneville project adequate station space and equipment, including such switches, switchboards, instruments, and dispatching facilities as may be required by the Administrator for proper reception, handling, and dispatching of the electric energy produced at the said project, together with transformers and other equipment required by the Administrator for the transmission of such energy from that place at suitable voltage to the markets which the Administrator desires to serve.

"The office of the Administrator of the Bonneville project is hereby constituted an office in the Department of the Interior and shall be under the jurisdiction and control of the Secretary of the Interior. All functions vested in the Administrator of the Bonneville project under this Act may be exercised by the Secretary of the Interior and, subject to his supervision and direction, by the Administrator and other personnel of the project."

"Sec. 4. * * *

(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to [January 1, 1941] January 1, 1942, there shall be available for sale to public bodies and cooperatives not less than 50 percent of the electric energy produced at the Bonneville project, it shall be the duty of the Administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until [January 1, 1941] January 1, 1942: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to [January 1, 1941] January 1, 1942, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to [January 1, 1941] January 1, 1942: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after [January 1, 1941] January 1, 1942; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted."

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,

Managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes; and pending that motion, I should like to come to an agreement with the ranking minority member of the committee, the gentleman from New Jersey [Mr. POWERS], with regard to time for general debate. I suggest that general debate run throughout the day and that we

then read the first paragraph of the bill, and read the bill for amendment tomorrow.

Mr. POWERS. Is the time to be equally divided?

Mr. SNYDER. Yes.

Mr. POWERS. I believe 1 hour will cover all the requests I have on this side. I just want to make it absolutely positive that we will not read the bill under the 5-minute rule today but will read only the first paragraph, and that debate under the 5-minute rule will be in order starting tomorrow.

Mr. SNYDER. That is very satisfactory.

Mr. POWERS. That is satisfactory to me, Mr. Speaker.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself, and that at the conclusion of the general debate today the first paragraph of the bill be read.

Mr. PARSONS. Reserving the right to object, Mr. Speaker, I should like to ask the gentleman from Pennsylvania about what time he expects to get the bill to a vote tomorrow afternoon?

Mr. SNYDER. That will all depend on how many amendments will be offered and what occurs during the debate under the 5-minute rule. I may say that I do not expect the consideration of the bill tomorrow to take over an hour or an hour and a half.

Mr. PARSONS. Does the gentleman expect the House to meet at 11 o'clock tomorrow, as it has done heretofore this week?

Mr. MARTIN of Massachusetts. If the gentleman will yield, I will answer that question. I am not going to permit that tomorrow. We are going to come in at the regular hour tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield so that I may submit a unanimous-consent request?

Mr. SNYDER. I yield.

Mr. RICH. Mr. Speaker, I ask unanimous consent that in lieu of the time allotted me this afternoon I may be permitted to address the House for 15 minutes on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8668.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8668, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SNYDER. Mr. Chairman, looking at the bottom of the front page of our report, you will see that the Budget performed a major operation in arriving at the amounts submitted for appropriation for the objects embraced by this bill.

As opposed to current expenditures aggregating \$305,125,334, the Budget submitted estimates footing up to \$220,082,250. That is a cut of 28 percent. The great bulk of the money carried by this bill appears under three purposes or objects—rivers and harbors, flood control, and the Panama Canal. There we must look for any appreciable curtailment of Budget estimates.

Of the total Budget estimate of \$220,082,250, but \$5,632,193, or about 2½ percent, applies to other than the three major objects I have mentioned.

The bill we present to you proposes appropriations totaling \$203,472,567. That is a reduction under the Budget of \$16,609,683—a committee cut of about 7½ percent. It is a reduction under current appropriations of \$101,652,817, or practically 33½ percent. We have left intact the total amounts

included in the Budget for river and harbor improvement work and for flood control, with the exception of a \$700,000 dredging project under the former.

For river and harbor improvement work the current appropriation is \$51,000,000. The Budget includes \$25,000,000 for such purposes for 1941. That is a reduction of 51 percent. With the exception of two projects—a \$750,000 dredging project in the Delaware River and a \$700,000 dredging project at Wake Island—the whole of the \$25,000,000 estimate is allocated to projects now under way. It would be out of line with good engineering practice and economic procedure to suspend such work or to provide for a lesser degree of progress.

We are recommending the estimate, with the exception of the Wake Island project, such island being a stop on the trans-Pacific aviation route, which embraces Honolulu, Midway, Wake, and Guam, in the order stated. The Midway development is going forward, but the House has turned down Guam and it has twice refused to go forward with the authorization of the naval aviation base at Wake. The dredging project, while a part of the base program, would be of value to commercial aviation. Wake Island is being used now by trans-Pacific commercial planes. True, difficulty is experienced in landing stores and supplies, but, owing to the tie-in of the project with the held-up naval program, we felt that we should not recommend its prosecution at this time.

For river and harbor maintenance functions the Budget proposes a reduction of \$1,226,950 in the current-year allocation of \$45,000,000. We are recommending a further reduction of \$1,351,540. Practically all of it would seem to be justified by prior-year expenditures. The details of our reduction appear at the bottom of page 3 of our report.

For flood control, general, the Budget proposes a 47 percent reduction. The current appropriation is \$133,000,000 and the estimate is \$70,000,000. Of the \$70,000,000, \$64,584,200 is allocated to the prosecution of projects under way.

Mr. MOTT. Mr. Chairman, will the gentleman yield on this question of flood control?

Mr. SNYDER. For a brief question.

Mr. MOTT. The gentleman is familiar with the request of the engineers for \$206,000,000 to prosecute this flood-control work in the next year?

Mr. SNYDER. I am very familiar with it, because about 40 of my colleagues have come before the committee and asked for \$133,000,000.

Mr. MOTT. Will the gentleman tell us what progress the Army engineers can make in the direction of completing this national flood-control program, the expenses for which in the current year have been placed at a minimum of \$206,000,000, when the amount carried in this bill is only \$70,000,000 and only \$58,000,000 of that can be used for expenditure?

Mr. SNYDER. I shall be pleased to comment upon that as soon as I have completed my general statement, if the gentleman will permit.

The difference between the \$70,000,000 and the \$64,584,200 is made up of \$4,500,000 for examinations and surveys by the War Department and the Department of Agriculture, and the rest is for maintenance and certain contingent expenses.

The \$64,000,000 plus, as I stated, is all on account of projects under way. The Engineer Corps is prepared to proceed with projects which would require a total appropriation of \$206,624,000. On account of authorized projects there remains to be appropriated roundly \$418,000,000. Because of the pressing need for economy, we have felt constrained not to add to the Budget estimate, and, in view of the large Budget reduction, we gave no serious thought to further curtailment. To prolong this work unduly would be unsound from any point of view. Property losses from floods in the past run into astronomical figures. Human lives by the thousands have been snuffed out by rushing floodwaters in every section of the country. Losses have not been local. They are reflected in the national economy, in the national wealth, and corrective measures should be prosecuted with as much dispatch as our finances will allow.

There was considerable sentiment in the committee that some part of the appropriation definitely should be available for undertaking new projects. If there were no departure

from the engineers' allocation, that would not be practicable. Consequently we have attached to the appropriation—page 8, line 6, of the bill—a provision that in effect definitely reserves \$6,458,200 for initiating work on projects now in readiness to be proceeded with.

For continuing flood-control survey work the bill provides \$3,000,000 for the engineers and \$2,000,000 for the Department of Agriculture. The latter amount represents a \$500,000 increase in the estimate and will have to come from objects other than new work, as the earmarked amount I have mentioned is exclusively for new work.

Mr. MOTT. If the gentleman will yield, he has now concluded the item about which I inquired. The gentleman said that when he concluded with that he would answer my question.

We have available this year for flood control, if no larger appropriation is made than that recommended by the committee, an amount not exceeding one-half as much as we had last year for work on that program. How does the gentleman believe this national program for flood control will ever be completed if we are to have appropriations for that purpose no larger than this?

Mr. SNYDER. At a certain place in the hearings the gentleman will observe that I asked the Army Engineers to insert figures regarding the money appropriated for flood control each year for the last 15 years.

Mr. MOTT. The gentleman knows we have had no national flood-control program except since 1933.

Mr. SNYDER. For the same period I asked for river and harbor appropriations. If the gentleman will look at that table, he will observe that during the last 4 or 5 years or 3 or 4 years the Government has been very, very generous in its appropriations for flood-control work.

Mr. MOTT. That is because since 1938 the expenditures for flood control have been larger than prior to 1938.

Mr. SNYDER. Yes; very much larger.

Mr. MOTT. The reason for that is that in 1938 we passed a general flood-control authorization bill, and in that bill declared it to be the policy of the Congress to enter upon this national program for the control of floods, and we authorized and appropriated a certain amount of money to do so. We have less than half as much this year for that program as we had last year. If these reductions keep on, how does the gentleman believe we will ever complete that program?

Mr. SNYDER. We intend to pursue that program as soon as our finances will permit. I may say to the gentleman—but the gentleman understands—that the Budget has to be cut something like half a billion dollars in order to stay under the \$45,000,000,000 debt limit. This committee felt it was its duty to do its part toward accomplishing that reduction, and I may say as to the flood-control estimate that it is confined to projects under way. No work will have to be suspended. That is, for example, work on a dam that has been started will not be stopped and left subject to the action of the elements; they would go on and complete it. Furthermore, I might say that history shows that floods of major importance occur only about once every 8 years, and that superfloods occur only about once every 24 years. Therefore, there may be 4 or 5 years yet before we can look for a flood such as we had in 1936–37, which may be some warrant for not trying to do the whole job as speedily as some would like to see.

Mr. MOTT. The gentleman believes we may have the program well under way by the time the next superflood appears, which he says will be 24 years from now?

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. In Massachusetts we had a superflood in 1936 and had a very large flood in 1938, which would have been very much worse if they had not done some work as a result of the 1936 flood. In 1938 they had freshets or high water almost every month of the year.

Mr. SNYDER. You have a lot of work started up there now, have you not?

Mrs. ROGERS of Massachusetts. Some work has been done on the reservoir at Franklin Falls, but more work is needed and has been recommended there and elsewhere. Is there anything in the bill for an additional reservoir in the Merrimack River?

Mr. SNYDER. I would say that if one is already started it will be carried on. If it has not been started, there is \$6,000,000 to start work on projects that are to be selected by the Army engineers in the order of their priority of need.

Mrs. ROGERS of Massachusetts. But the location has not been specified in this bill.

Mr. SNYDER. No; no locations for any new work have been selected yet.

Mrs. ROGERS of Massachusetts. Is there also any money for local protection? The reservoirs will not begin to protect the towns in the Merrimack Valley if the dams are built for power.

Mr. SNYDER. I did not understand that.

Mrs. ROGERS of Massachusetts. If the dams are built for power they will need local flood protection along the Merrimack Valley in order to afford flood protection, and I assume they will be built for power.

Mr. SNYDER. It will be up to the Army engineers to determine where this \$6,000,000 will be used for the commencement of projects of any kind.

Mrs. ROGERS of Massachusetts. And it may be used for local flood protection as well as for dams?

Mr. SNYDER. Oh, surely.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. HINSHAW. Last year, I believe, there was a letter sent to some Member of the House, perhaps to the gentleman now in the Well of the House, from the President, saying that if the bill was passed as it was offered to the House, that \$50,000,000 additional would be subscribed from the Work Projects Administration fund for the prosecution of flood-control work.

Mr. SNYDER. Yes.

Mr. HINSHAW. Has the gentleman any intimation of such an allotment for this coming year?

Mr. SNYDER. I have not.

Mr. HINSHAW. Does the gentleman have any idea that such an allotment will be offered from the Work Projects Administration?

Mr. SNYDER. I have not. I have not taken it up with anybody and no one has spoken to me about it.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. BRADLEY of Pennsylvania. In regard to the breakdown of the figures for the Corps of Engineers in connection with new work, there is a break-down of \$750,000 for initiation of work in the Delaware River.

Mr. SNYDER. That is right.

Mr. BRADLEY of Pennsylvania. Is it the opinion of the Army engineers that that sum is sufficient for the ensuing fiscal year?

Mr. SNYDER. It is.

Mr. BRADLEY of Pennsylvania. That is all they will need?

Mr. SNYDER. That is all they will need for the ensuing fiscal year.

Mr. BRADLEY of Pennsylvania. I thank the gentleman.

Mr. SNYDER. The Panama Canal is the third and final major item in the bill. For the support and operation of the existing establishment the Budget allows \$10,277,077. For the current year the appropriations amounted to \$10,574,994. We have added \$28,236 to the Budget reduction of \$297,917, all of our reduction growing out of suggestions of Governor Ridley.

The current appropriation act carries \$14,200,000 and contractual authority of \$2,300,000 toward the provision of means of protecting the existing waterway, estimated to cost, in all, \$39,570,000.

For going forward with that program the Budget includes \$19,000,000 and further contractual authority of \$4,500,000. This would leave for future appropriation \$6,370,000. We are recommending the Budget estimate. I may say that that item of contractual authority is the only one in the bill. We eliminated the other request, a matter of \$99,300,000, which I shall refer to in a moment. We recommend contractual authority in this instance because the equivalent in money will not be needed for expenditure during the ensuing fiscal year, and contractual authority would facilitate completion through the avoidance of delaying obligations until after June 30, 1941. This is considered to be in line with good engineering and business practice. Moreover, the project is generally recognized as of such importance and urgency that there should be no hindrance thrown in the way of its orderly and early consummation.

That brings me to the new Panama Canal proposal—the source of about 85 percent of the total amount we recommend be disallowed of the Budget estimates.

By the act approved last August 11, authority was granted for the construction of a bypass and new set of locks, to cost \$277,000,000. In consequence of such authority the Budget proposes an initial appropriation of \$15,000,000 and contractual authority of \$99,300,000. Commencement is advocated at this time as an urgent defense measure, although completion of the work is not planned until 6 years hence, at the earliest. The need for additional locks for shipping, it is estimated, will not occur before 1960. The proposition is to launch upon this vast project even before a start has been made to prepare detailed plans and specifications for accomplishing the structural features, and we were told that it will take 2 years to complete such plans and specifications.

Our feeling is that the project is being pushed too rapidly. Its early commencement is advanced as an urgent defense need, but a project that cannot be completed for 6 years is difficult to get excited about. Bear in mind that we are going ahead as rapidly as possible with protective works around existing Canal facilities. That work probably should be proceeded with with dispatch. The proposed new bypass and locks, not needed for commercial shipping for another 20 years, would provide an auxiliary waterway closely paralleling the present one. The close proximity of the two robs the proposed auxiliary of much of its security value. It would be equally susceptible of damage, equally vulnerable.

Our judgment is that commencement should be deferred for the present, at least. In the meantime work could be going forward on the structural plans and specifications, estimated to cost \$1,591,900. We are recommending \$850,000 of that amount.

I have accounted for our action as to the major items in the bill. We have effected a number of reductions in the estimate for cemeterial expenses, all amounting to \$77,407. These are explained in the report. We also refused a request of \$300,000 for enlarging the capacity of existing buildings at the local soldiers' home to accommodate the estimated growth in membership. We are not impressed with the need for such expansion at this time.

In conclusion, Mr. Chairman, may I say that I realize that this bill is disappointing to many of our colleagues as to certain of its phases of which the Corps of Engineers has cognizance. No doubt a similar feeling has been engendered by certain curtailments in other appropriation measures which previously have been presented to the House. However regrettable as that may be, I am sure most of us are agreed that the end we seek justified the economies we are endeavoring to effect, and I trust that this measure, drafted with the same end in view, may have your support.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to my friend from Virginia.

Mr. BLAND. Was it not stated that the \$15,000,000 was needed for work that would go on contemporaneously with the preparation of plans and would be necessary for the complete prosecution of the work in 6 years?

Mr. SNYDER. The \$15,000,000 is a part of the program.

Mr. BLAND. Was not the statement made that the entire amount of \$15,000,000 would be needed and the failure to

appropriate the \$15,000,000 at this time simply means that the Committee assumes the responsibility, against the judgment of the President and everybody else that for national-defense purposes these locks should be provided at the earliest possible moment?

Mr. SNYDER. I would not say that the Committee is assuming responsibility; we are presenting a recommendation to the House.

Mr. BLAND. There is no escape from it.

Mr. SNYDER. I would not say that.

Mr. COLLINS. Governor Ridley said it would take at least 2 years to complete the plans, and it would seem to me to be foolish to begin any kind of construction work until the plans are completed.

Mr. BLAND. I submit to the gentleman that the evidence shows that the plans were to be contemporaneous with the necessary acquisition of land, construction of plant, and preparation necessary for excavation, to provide these locks so much needed.

Mr. COLLINS. On page 3 of the hearings Governor Ridley testified that for the locks it would take probably a couple of years to complete the plans.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to my friend from New York.

Mr. CULKIN. Mr. Chairman, I did not quite understand what the gentleman said about the amount available for the construction of the bypass on the Panama Canal. How much is to be available?

Mr. SNYDER. As was said by my colleague, the gentleman from Mississippi [Mr. COLLINS], Governor Ridley testified it would take about 2 years to complete the plans, and they asked for \$1,500,000 to complete those plans and specifications in the next 2 years, and the committee gave them more than half, \$850,000 for the next year, to work on those plans.

Mr. CULKIN. Our advices in the Merchant Marine Committee before the bill came out were that the plans, of course, were complete.

Mr. SNYDER. Oh, no; it would take about 2 years to complete them.

Mr. BLAND. That is the general plans, but not the detail plans.

Mr. CULKIN. And the committee made available \$850,000?

Mr. SNYDER. For the plans.

Mr. CULKIN. Going back to the item for river and harbor maintenance: That amount is sixty-six-million-seven-hundred-thousand-and-odd dollars. Was that amount cut below the Budget estimate?

Mr. SNYDER. No; not for new work.

Mr. CULKIN. Was that the exact Budget estimate?

Mr. SNYDER. No.

Mr. TERRY. There was one item of \$700,000 for dredging at Wake Island. That is in the Budget, and that is cut out.

Mr. CULKIN. That is one of the three items mentioned in the report?

Mr. TERRY. Seven hundred thousand dollars was carried in the Budget for Wake Island. The committee cut that out.

Mr. CULKIN. Mr. Chairman, I would like to make an observation. I think this river and harbor work and these waterways are performing a most important service to the Nation and that they are of great importance to the continuance of industry and agriculture. I hope the committee will bear that in mind when the country comes upon better circumstances, and that the committee will then make appropriations commensurate with the importance of the service performed.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. Yes.

Mr. BLAND. The gentleman wants to be entirely fair in his presentation of what Governor Ridley said. I read from the hearings:

So we present a budget under which we could do this work in about 6 years. Of course, the locks did not have to be designed at the beginning, because the contracts for them would not be made until the excavation had been finished, so by putting on a larger designing force we figured we could finish the work in 2 years.

Was not Governor Ridley there referring to plans for the locks, and the \$15,000,000 which was asked for in the Budget is to do the excavation and other work necessary to the construction of the locks, and the plans would then be available in 2 years?

Mr. SNYDER. Since my colleague the gentleman from Mississippi [Mr. COLLINS] is so well versed in these matters, I ask him to answer that question.

Mr. COLLINS. It is my understanding that it will take about 2 years to complete the plans for the locks and all other plans of a general nature on the Canal. I am certain that we ought not to appropriate any money for excavation and for other purposes down there until we find out more about where the money will be expended than we know now.

Mr. BLAND. The distinguished gentleman does not deny the statement of General Ridley?

Mr. COLLINS. General Ridley states:

These plans we have made so far and the investigations relate principally to the foundation and general outline of the lay-out of the lock structures.

Now, he also couples that with the statement that for the locks it will take probably a couple of years to complete the plan. As I understand the testimony, the plans other than for the locks have not yet been considered to any large extent.

Mr. BLAND. If the gentleman had gone a little further, he would have found that this work could go ahead for the \$15,000,000, while the plans for the locks are being designed.

Mr. COLLINS. I realize that they want to get the \$15,000,000, but we just did not feel that they should have the \$15,000,000 until plans had been made upon which we could justify estimates of appropriation.

Mr. BLAND. The gentleman realizes that this is for national defense?

Mr. COLLINS. No. I do not take it that it is for military defense, because it will take at least 6 years to construct these additional locks after their construction has been begun. It is the uncontroverted testimony that the existing Canal facilities are ample, under all shipping estimates, until 1960, which is 20 years hence.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I wish to address myself to an item on page 8 of the bill, and the report of the committee contained on page 4, having to do with the \$70,000,000 appropriation for flood control throughout the United States.

We of New England naturally feel that there is a great emergency existing there to carry out the work that has been designated, in order to prevent, as far as man can, a repetition of the terrible floods we had in that area in 1933 and previously.

I, for one, want to commend the attitude of the Department, the Board of Engineers, and the committee in the assignments that have been made and the relative division of the \$70,000,000.

I find on page 4 of the report reference to the projects in New England. The first two have to do with the conditions on the Merrimack River Basin, which is represented by my colleague the gentlewoman from Massachusetts [Mrs. ROGERS], which show appropriations for carrying on the work on Franklin Falls Reservoir and the Merrimack River Basin. The next three items have to do with flood control in the district I represent, Surry Mountain Reservoir, Connecticut River Basin; Birch Hill Reservoir, Connecticut River Basin; and Knightville Reservoir, Connecticut River Basin. All three of those are provided with definite sums that can be advantageously used during the year 1941. Therefore there is an element of satisfaction on the part of the people that I represent as to the attitude of the Department and of the committee.

I want to clear up, however, for the satisfaction of my constituents, one idea which I think has arisen because of a misinterpretation of a press item which was confusing to the people of Holyoke, in that they thought that a project

for the protection of the southern portion of the city could be included in this bill. I received this morning a telegram from the secretary of the Chamber of Commerce in Holyoke, as follows:

Failure to appropriate funds to carry on local flood-protective works in the south area of Holyoke will leave this important industrial section of this city in a desperate situation. Urge renewed effort to provide for the completion of the entire Holyoke project.

That was signed by Mr. Conrad Hemond, secretary of the Holyoke Chamber of Commerce. In that connection I would like to read my reply to that telegram, sent this afternoon:

Replying your telegram, have just conferred with Office of Chief of Engineers, which states pending appropriation bill has no connection with work on lower flooded area in Holyoke. This particular project has been surveyed by engineers under Colonel Bragdon, and special report from War Department will be sent to Congress in very near future requesting necessary authority to do this work. It is hoped this project may be included in authorization bill which Chairman WHITTINGTON hopes to report during present session. Additional appropriation then will be necessary, as funds contained in pending bill cannot be applied to work not heretofore authorized by Congress. Letter from Chief of Engineers explaining matter in detail will be forwarded to Mayor Toepfert in day or two. Am following matter up closely and will do everything possible to end that entire Holyoke flood-protection work may be completed earliest possible date.

ALLEN T. TREADWAY, M. C.

I bring this to the attention of the House in order that my constituents may have a definite idea that this particular protection in the lower part of the city of Holyoke cannot possibly be included in this bill, as requested by the chamber of commerce. That will follow in the natural course, after the engineers' report has been submitted and has been accepted by the Congress. As I said in the telegram, I hope that this project may be definitely agreed to in the bill that undoubtedly the gentleman from Mississippi [Mr. WHITTINGTON], chairman of the Flood Control Committee, will submit during the present session of Congress. It is well understood by this committee that the first step in any flood-control project is favorable action upon the engineers' survey.

In conclusion, I appreciate that I have taken up the time of the House in referring to a somewhat local matter, but one of great interest to my constituents, and therefore of importance to me as their Representative.

Let me again commend the committee for the manner in which they have allocated, under the direction of the engineers, the amount of the \$70,000,000 for the definite work of flood control throughout the United States.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, my admiration for the clerks of the Appropriations Committee was increased in the consideration of this bill. Mr. John Pugh, the regular clerk assigned to this subcommittee for War Department appropriations, was sick and in the hospital shortly before we started hearings. Mr. George Harvey, clerk to other important subcommittees, sat in for him, however, arranged for witnesses, assembled our data, and the work of the committee went on in splendid shape. Mr. Pugh returned just before we marked up the bill and helped us at that point. This bill, therefore, has been prepared with the efficient help of two members of the clerical staff of the Committee on Appropriations; and here again, as in the consideration of all appropriation bills, we find that their services are indispensable and of the highest order. [Applause.]

LOCKS, LAND BASES, AND CANAL DEFENSE

I want to speak for a few minutes with respect to the lock situation at Panama and its bearing upon the subject of national defense, and to read to you a very short concurrent resolution I propose to place in the hopper this afternoon.

I am among those who seriously question the immediate value from a defensive standpoint of the proposed third set of locks. Because of this it has seemed to me appropriate at this time to focus attention upon a matter which has been suggested at various times by various people, and that is the acquisition of land bases that would really contribute to the defense of the Canal, really contribute to the defense of the

Western Hemisphere, and do it more quickly, more economically, and more efficiently than building a third set of locks.

In our hearings we had testimony from representatives from the Canal Zone and from the War Department staff. I want to call your attention to the testimony of Governor Ridley on page 3.

The senior minority member of the committee the gentleman from New Jersey [Mr. POWERS] was asking Governor Ridley about the location of the proposed locks. Governor Ridley replied that the new locks would be about a quarter of a mile away from existing locks on the Pacific side, and on the Atlantic side would be half a mile away from existing locks. This suggested to some of us that if these proposed new locks were to be within half or quarter of a mile of existing locks, that they would be just as vulnerable to attack as the existing locks.

NEW LOCKS ALSO WOULD BE TARGETS

As a matter of fact, a plane flying high at 300 or 400 miles an hour, or even 150 or 200 miles an hour is lucky if any great number of its bombs strike that close to a target. Many of them would be just as likely to hit a quarter or half a mile away from the point aimed at as to hit the point itself. The exact spot a bomb strikes when dropped from a ship going 5 miles a minute is as much a matter of accident as of marksmanship. If the existing locks, therefore, are vulnerable to attack, so would be a new set of locks built within a quarter or half a mile of the existing ones.

Mr. COLLINS. Mr. Chairman, will the gentleman yield? Mr. CASE of South Dakota. I yield.

Mr. COLLINS. In that connection, it is a well-known fact that when the Germans sent their bombing forces into Poland they were far from being accurate. The reason they made so many hits was because they sent so many planes and dropped so many bombs that they could not help but make hits. So a bombing operation against the Panama Canal by an enemy nation, if such could occur, would just as likely strike one set of locks as another, or maybe both.

Mr. CASE of South Dakota. I think the gentleman is right. His observation with respect to the situation in Poland suggests another thing. Everyone who has fired on a rifle range knows that the greater the distance from the target the more time is required for accuracy. Rapid fire is used only on the short ranges. Slow fire at short range is deadly if permitted. The same thing is true in the air. A moving plane which is more or less unpursued is much more able to hit its target than a plane which is harassed or harried by pursuit planes. This leads me to the conclusion that the development of proper land bases offer much better defense than the building of another set of locks, which would simply offer another target.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield? Mr. CASE of South Dakota. I yield.

Mr. RANDOLPH. The gentleman, I am sure, would not want to leave the impression on the Committee that he feels that the advent or the innovation of bombing planes in modern warfare is not of paramount importance.

Mr. CASE of South Dakota. No. I am coming to that point. I believe that the efficiency of bombing planes calls for a proper basing of defending pursuit planes. We need bases for the operation of pursuit planes against attacking planes and for the operation of defense bombing planes against possible enemy ships at sea. Our object should be to keep the enemy from reaching the target rather than giving him another target.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. BLAND. Does the gentleman subscribe to the doctrine, then, that the Appropriations Committee can just dispense with any work on the part of a legislative committee and where a matter has been seriously considered by a legislative committee and has been duly enacted by the Congress that it is not binding on the Appropriations Committee?

Mr. CASE of South Dakota. I subscribe to the theory that if the Appropriations Committee were to make appropriations for every authorization passed by Congress at the recommendation of a legislative committee, that it would mean the

bankruptcy of the Nation immediately. As between the several appeals for funds, we have to strike a balance. As between two courses of action for the same objective, we must ask which will give the most for the money available.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. SNYDER. I want to make myself clear. Neither I nor any other member of the committee that I know of am opposed to the proper defense of the Panama Canal. We felt in view of the appropriations that were made year before last and last year for national defense, including items for the Panama Canal, that viewed from the standpoint of economics and business procedure this item could be withheld for the time being.

Mr. CASE of South Dakota. Yes. I would not want to leave the impression that the chairman or that all members of the subcommittee are permanently opposed to the installation of a third set of locks. But I am expressing my own opinion that from a defense consideration we are warranted in taking a further look at the picture.

RESPONSIBILITY OF THE APPROPRIATIONS COMMITTEE

I recognize that when a legislative committee passes an authorization it does behoove the Appropriations Committee to consider the authorization very carefully. At the same time the Appropriations Committee cannot escape the fundamental responsibility to measure the various authorizations that are made for appropriations and somehow arrive at some sort of balance or adjustment of the various appropriations to be made. It would be impossible to appropriate in full for every authorization that is made by legislative committees.

Mr. CULKIN. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. CULKIN. In connection with the statement the gentleman has just made, would he give due weight to the experts of the Army and Navy and their recommendations?

Mr. CASE of South Dakota. I would; and for this reason I want to call the gentleman's attention to some expert testimony to be found on page 8 of the hearings. Unless the gentleman wants to pursue his questioning further, I would like to address myself to that matter, because I have a definite proposition to get before the House.

Mr. CULKIN. I want to pursue a little different line of inquiry in regard to the question asked by the gentleman from Mississippi. The story is told that there were some 3,000 bombing planes used in the Polish expedition. Does the gentleman believe that 3,000 German planes could land in the Panama Canal Zone?

Mr. CASE of South Dakota. I hope not. I do not want to see 3,000 planes from any foreign country even get close to the Canal.

Mr. CULKIN. He does not see that possibility, does he?

Mr. CASE of South Dakota. No; not now.

Mr. CULKIN. That is, in this day and age.

Mr. CASE of South Dakota. The defense problem of the Panama Canal Zone is essentially a broader thing than just the defense of the Canal Zone itself.

OPEN CANAL INCREASES NAVY'S VALUE

A major argument advanced for the building of a third set of locks is to increase the efficiency of the Navy of the United States in the hope that we might avoid having to build a two-ocean Navy. We want to make our Navy effective and available in both oceans if the demand ever arises. We are seeking to increase the efficiency of the Navy in our consideration of the defense of the Canal Zone. It is not merely the defense of the works but protection of the Canal, so that the Navy may pass from one ocean to another, if necessary.

Mr. CULKIN. Will the gentleman tell the committee how much time his committee spent on that particular question? Our committee spent at least a week on it. How much time did the gentleman's committee spend on that question?

Mr. CASE of South Dakota. If the gentleman will consult the hearings he will find many, many pages devoted to the subject, which is an indication of the time spent on it.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CASE of South Dakota. Mr. Chairman, the testimony before the committee indicated that under normal procedure it would take at least 10 years to build a third set of locks. It was suggested that under a speed-up program at least 6 years would be required for their construction and \$277,000,000 in money. From this standpoint and facing the various problems of defense and the finances that we have, certainly there is no one who will contend that works taking 6 years to complete offer an immediate answer to our defense problems.

BILL CARRIES \$39,000,000 FOR PROTECTIVE WORKS

More than that, and referring to a thing which the chairman, the gentleman from Pennsylvania [Mr. SNYDER], mentioned a few minutes ago, this bill does carry some \$39,000,000 in appropriations or contract authorizations for the building of protective works on existing locks. So the committee was not insensitive to the need of protective measures for the locks that now exist, and we hope to make those as bombproof as we can.

Mr. Chairman, I will have to refuse to yield further, because I want to proceed to a specific proposition. On page 8 of our hearings you will find a statement prepared by Gen. George V. Strong, Assistant Chief of Staff and the Chief of War Plans, who appeared before us January 29.

This statement was prepared in response to my request and was based on questions which I and other members of the subcommittee asked him. While we did not feel that all of the discussion should be in the record, the statement which is in the record will be of interest to anyone who wants to give this matter serious consideration, and especially to those who have been talking about consulting experts. Bear in mind that General Strong is Assistant Chief of Staff in charge of the War Plans Division.

STATEMENT BY GENERAL STRONG

General Strong's statement reads as follows:

From an academic standpoint, the prevention of air raids on the Panama Canal from either carrier-based aviation or land-based aviation makes it highly desirable that our defensive aircraft cover generally a line whose radius is about 1,000 miles from the Canal Zone. In applying this measure to the defense of the Caribbean, we find that generally, the line of the Lesser Antilles offers the best positions for basing the activities of our defensive air operations. This was one of the factors influencing the United States to set up Puerto Rico as a separate department and provide therein air bases from which our defensive aircraft could operate and from which we could do the necessary scouting and patrolling in the event of an emergency. You will note that Puerto Rico is at the northern end of this arc.

Now follow closely as I quote further—

From a purely military standpoint, it would be of very great advantage in the defense of the Canal if we had another such base located either on the north coast of South America or on some of the southern islands of the Lesser Antilles. In this connection, however, in view of the international questions involved which are essentially those of governmental policy, the War Department can make no recommendation as to the acquisition of land now under foreign control but which, if it belonged to us, might be used for national-defense purposes.

Mr. TERRY. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Arkansas.

Mr. TERRY. I call the gentleman's attention to the fact that our Chief Executive has just gone down to Panama and we have a statement in the morning paper to the effect he is greatly impressed with the need of additional bases there for airplane defense, just as is being suggested by the gentleman.

Mr. CASE of South Dakota. Yes; I noted that this morning with special interest. Mr. Chairman, continuing, General Strong stated:

The question of the acquisition of such land is primarily a question of foreign relations. The War Department is limited to considering the use of our own territory and can make no recommendation in the premises unless and until so requested by the State Department.

During the special session of Congress this particular proposition came to my attention in various ways. I received a letter from an old friend in Iowa who made a suggestion which is the basis of the resolution I propose to put in the hopper this afternoon. The suggestion is that the United

States seek by peaceful means to acquire suitable bases east and west of the Canal Zone by application, if possible, of credits to some of the defaulted foreign debts, and also, if necessary, by use of some of the stock of gold held by the Treasury.

IDEA OF ACQUIRING BASES IS NOT NEW

At the time, with feelings tense on neutrality legislation, I thought that such a proposition might be misunderstood and decided, for my part, not to press it then. The question of appropriations for a third set of locks, however, brings the matter squarely before us, and so I determined to present the proposal in definite form at this time. The basic idea is not particularly new. The gentleman from California [Mr. HAVENNER] introduced a resolution on the 26th of October proposing to authorize negotiations for the acquisition of certain territory in the Western Hemisphere and proposing therein the application of defaulted debts to such acquisition.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. CASE of South Dakota. Somewhat similar proposals have been discussed in many magazines, and I lay no claim to originality in presenting a concrete proposal to join the locks and the land base question with the gold and debt problems. The value of outpost land bases was set forth last September in an article by Mr. Charles Well in the Marine Corps Gazette in which he quoted Admiral Leahy, Admiral Mahan, and Major Eliot, supporting the thesis that the effectiveness of our Navy and the effectiveness of our defensive air forces depend in large part in having outpost bases.

February 7, the Washington Star reviewed an article in the semiofficial United States Naval Institute proceedings by Lt. Comdr. Isaiah Olchs, of the Navy. His proposition was that the United States should accept "foreign naval establishments in the Caribbean as a part payment on the European World War debts."

I make this clear because I am not trying to take any credit for proposing a new idea, but am rather relating it to a specific situation that we confront in this question of whether we shall engage upon a 6-year program of building a third set of locks at a cost of \$277,000,000 or whether we shall seek to develop some defensive land bases at a fraction of the cost and in a fraction of the time.

Concretely, I propose today for the consideration of the House a concurrent resolution to read as follows:

PROPOSED CONCURRENT RESOLUTION

Resolved by the House of Representatives (the Senate concurring), That the President of the United States and the Secretary of State are hereby advised that the Congress favors the peaceful acquisition of land bases which in the opinion of the Secretary of War and the Secretary of the Navy will facilitate the defense of the Western Hemisphere in general and of the Panama Canal in particular against possible military activity by any non-American powers; and the Secretary of State is hereby requested, in consultation with the Secretary of War and the Secretary of the Navy, to investigate and report at the earliest practicable date on the possibility of such acquisition to be paid in part by the payment of gold to be withdrawn from the stabilization fund administered by the Secretary of the Treasury and in part by credits on debts in default where such bases can be acquired from nations in default on debts to the United States.

I shall put the bill in the hopper this afternoon and hope that the committee to which it may be referred will give it early consideration. I also suggest that if any Member of the House wants an interesting evening he acquire a globe or a map of the world and refresh his memory on the various islands east and west of the Panama Canal, as I did last night. You will then visualize the concrete problem seen in the statement of the Assistant Chief of Staff, and I believe you will agree that if the United States had a proper land base in the southern line of the Lesser Antilles and also a base on the west of Panama we would achieve a far more effective defense for the Canal than we would by the building of another target, which is what an additional set of locks would be.

WILL SAVE GENERAL STAFF SOME HEADACHES

I am convinced from the study I have been able to give to this subject that if we did this we would save a lot of

headaches for the War Department when it comes to planning the defense of the Canal.

In reading the proposed concurrent resolution you will note that the proposal to use some of the gold in the stabilization fund and to grant credits on defaulted debts brings in an attack on two other problems of the day.

Foreign debtor nations owe us around \$12,000,000,000. If we can get those loans on a current basis and convert the payments into something we need, the proposition would be attractive on that account alone. Addition of the gold feature is suggested to increase the attractiveness of the proposal.

Every Member of the Congress is besieged daily with articles and pamphlets on the gold problem today; or we read headlines about the "Gold crisis that we are facing," or "How our purchases of gold aid Japan or Russia," or "America's golden headache," or "Knotty problem of gold hoard," or "What to do with buried gold."

All of these suggest that if we can approach the problem of a redistribution of gold by doing something that will help to solve a major-defense problem, collect foreign debts, and at the same time save appropriations for propositions of questionable defense value, we will be making a real contribution toward solving problems confronting the country. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, we do not seem to have a very large audience here this afternoon; but I am wondering how many of the Members have during their lifetime visited the beautiful State of Minnesota. I wish those that have would put up their hands. I see that we have had some visitors up there from the South and the East.

I mentioned this because you who have been there and who are familiar with the beauties that we have in the way of both resources and the more ephemeral beauties such as rolling prairies, blue lakes, and beautiful trees and woodlands are familiar with the fact that we have a wonderful country there with as fertile soil as is to be found anywhere, and great natural resources, but still we have a tremendous relief burden. I have been struck with that fact, and it has resulted in my concentrating my efforts and study on that problem with the idea that when you have everything to do with and still seem to be impotent to contend with the forces with which we have to contend in this particular era under which we are suffering, there must be something wrong back of all this, creating this unfavorable condition.

There is something wrong, and I want to discuss with you for a few minutes this afternoon the picture as I see it up there in our beautiful section of the United States.

We have in Minneapolis approximately 62,000 people unemployed and on relief out of a total population of some 468,000. It seems almost impossible for the human mind to believe that sort of a situation in a land as fertile and as productive as ours in Minnesota. We even have in the farming or rural section of Minnesota 30 percent of the total unemployment of the State, farmers and country people who are unable to make a living from that most fertile soil. Now, why is this? Why, under the name of all that is fair and good, do we have a condition such as that?

When you consider the fact that it costs \$5.65 a ton for freight to haul a ton of coal up there under the present set-up, and when you consider the fact that it costs approximately 16 cents a bushel to the farmer, who produces wheat, to ship a bushel of wheat 400 miles to Duluth or to Minneapolis and compare those figures with what the Australian or the Argentine farmer pays in freight for much greater distances, then you may get some idea of why we are in the situation that we are in now.

I want to call the attention of the Members to this fact. You can ship from Argentina, a distance of 7,200 miles, from Buenos Aires to Liverpool, for 13½ cents a bushel, or about \$5 per ton, as against about 16 cents a bushel for 400 miles, which is used as a basic figure, for our farmers up there in the Northwest to ship simply to the water. No wonder we cannot sell our surplus crops or have nothing left after pay-

ing the freight rate on what we do sell. At 1 cent per ton-mile, the usual railroad freight rate, it would cost the Argentine farmer \$72 per ton, or nearly \$2 per bushel, to ship his grain to Europe. The result would be no business, like we have suffered in country areas since about 1922.

From Australia to Liverpool, a distance of approximately 15,000 miles, it costs the farmers of Australia approximately the same, 16 cents a bushel, to ship that 15,000 miles, as compared with the 400 miles I have mentioned.

Now, you can get some idea of why we are in the depression that we are in up there. When Minnesota and the Northwestern States could be self-supporting, could be just blooming with prosperity, we are in the slough of despond because of the action of Congress, or, rather, the inaction of Congress, and when I say that I am putting the blame right where it should be put. For years we have been trying to get justice in this matter.

We have been trying to promote an upper-river barge line from St. Louis to Minneapolis; \$147,191,000, according to the Army engineers' report, has already been spent to promote this idea of a barge line from St. Louis to Minneapolis. We still lack and need \$22,809,000 to complete that project. In other words, we have built a house and have no roof on it, and now we want to put that roof on. So the Army engineers requested of the Budget Bureau, for 1941, \$3,845,000 to be spent in the city of Minneapolis in order to start to complete the work that is necessary there in order to give us a harbor at the head of the waterway so that we can ship out and in the produce which we consume and sell. Think of it. Spending \$147,000,000 to get to the greatest and second largest city in the midcontinent valley west of the Mississippi with a barge line, and then stop at the city's edge without hooking up with its rail terminals, industry, and markets and wholesale district, where the river highway could be made use of.

But the Budget Bureau turned the Army engineers down; in other words, they instructed the Army engineers to bring in a request for only \$25,000,000 instead of \$160,000,000, which the engineers report could be used profitably.

I want to read just a few excerpts from the committee hearing to put the blame right where it belongs for this situation. General Schley, Chief of Engineers, was in the committee hearing when the gentleman from Arkansas [Mr. TERRY] said:

When you submit an estimate to the Budget you usually submit the sort of a figure they give you.

General SCHLEY. Yes, sir; we were told by the Budget before we submitted a list that it should total \$30,000,000. Then they reduced it to \$25,000,000.

Mr. TERRY. I had the impression somehow that you had submitted to the Department an amount of \$206,000,000.

General SCHLEY. Perhaps, if you include flood control. This is only for navigation. The flood-control estimate is larger.

Mr. TERRY. Then you submitted to the Budget or to the Department the figure of \$30,000,000?

General SCHLEY. At their direction.

Mr. TERRY. Then they cut it down after you submitted that figure to \$25,000,000.

General SCHLEY. Yes, sir.

Mr. COLLINS. That sounds a little like duress to me.

Of course, it was duress; duress applied at the primary spot; and I want to call the attention of the members here this afternoon to the fact that the Budget Bureau is doing your job for you. They have taken your constitutional rights and prerogatives away from you. They have become the appropriating body of Government. No wonder Hitler called the members of the German Reichstag parliamentary gas bags. No wonder representative government is fast being done away with in the world today. If we do not wake up here and start functioning in accordance with the Constitution, the people will do away with Congress; and if I am not mistaken, the people of this Nation in the final analysis are going to get sick and disgusted paying your salaries to let the Budget Bureau and other commissions do your job for you.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. POWERS. The Budget Bureau is not doing the job for the Appropriations Committee. I think the appropriation bills that have been reported to the House show that we are doing our own job.

Mr. ALEXANDER. All right. General Schley in his request for appropriations asked for 75 different items for rivers and harbors, totaling \$73,226,800, and the Budget allowed only 18 of those 75 items without cuts, and your committee took it as dictated and brought the bill to us item for item as dictated except as to one, the appropriation for Wake Island.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ALEXANDER. In other words, when the committee got the request from the Army engineers they got the decimated request for \$25,000,000 instead of the \$73,226,800 and every one of those projects in that total is a needful item, an item which will promote the welfare and the interest of this Nation, of the unemployed, the farmers, the laboring men, and the citizenry in general.

Mr. POWERS. Does not the gentleman know that that is the old Army and Navy game—go to the Budget with four times as much as you need, and have it cut down and still get plenty?

Mr. ALEXANDER. No; I do not. I have here before me in this report an entire list made up of a greater number of about 100 projects which have been asked for by different localities, and which the Army engineers have rejected, and they have put in only these seventy-five which, as they say, are the ones where delay would be dangerous and detrimental. In other words, where we have spent \$147,000,000 to promote a 9-foot channel from St. Louis to Minneapolis, and need \$22,000,000 more to complete the job, you waste the \$147,000,000, make it useless, practically throw the money into the river for the need of this additional appropriation this year, stopping short of the goal. Why not go on and complete this magnificent job up there which would give us justice and equity with the rest of the Nation and the world?

Do you know how population figures look up there in the Northwest since the Panama Canal was completed in 1907, and since the Interstate Commerce Commission took hold of this Nation and its freight structure? I shall read to you a few of the figures which I put into the committee hearings when testifying in connection with this bill, showing just how this situation has affected us up there. In the period from 1880 to 1890 our population increased 67.3 percent, but since then we have been going down rapidly and during the recent period from 1920 to 1930, up to the last census, our general average increase in population for the State was only 7.4 percent, but then during the following 7 years as reported by census figures, Minnesota, the flowering, fertile spot of the Nation increased only one-half as much as the entire Nation's general average, and South Dakota, the State of the gentleman who last addressed the Committee, went down from 693,849 to 692,000, according to the census figures, and Nebraska went down 14,000—all that area up there drying up, going to the dogs simply because we waste our time here and let some other organization do the job that we are sent here to do, which is to look after the welfare of our Nation in general, and our States.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. POWERS. I yield the gentleman 2 minutes more.

Mr. ALEXANDER. Now let us get down to cases. We ship into Minneapolis approximately 1,000,000 tons of coal a year. Of the barge-line facilities, the dock we have there now, because of the fact it lies in a deep, rocky chasm, so that there is no chance to build additional facilities and that is therefore where the barge line now ends. In this rocky chasm there could be handled last year only 96,000 tons as a maximum out of a million moved in for Minneapolis, and we were able to ship up there and lay down on that dock only 96,000 tons, a mere drop in the bucket. This is to say nothing of the 16,000,000 total coal tonnage used in our Northwest area.

It is estimated that if we could utilize the barge line by getting up above the falls of St. Anthony, where we need to spend this \$3,845,000 which we request and which the Army engineers recommend, we could save \$2,000,000 a year in the

economy of the citizens of Minneapolis alone on that one item of coal, to say nothing as to the savings to the entire Northwest area, on this and all of the other items which can be shipped in and out of there, such as dairy products and fertilizer from the Tennessee Valley. We would use a lot more of it if you would give us decent transportation facilities and freight rates up there and a chance to use the barge line—cement, sand and gravel, petroleum from Oklahoma and Texas and other States, sugar, salt, farm and other machinery, iron and steel products, lumber, all kinds of grain, of course, cereal products, and scrap iron.

The amount of tonnage that we could ship into that district is unlimited, if we could get justice up there—if we could get this barge line into the city so that we could use it along the shore line that we have available in the upper harbor, where we have 6 miles of level land lying along the two banks of the Mississippi River.

In conclusion, I want to say that I am not blaming anybody in particular for this thing. I think we have just gone to sleep on the job here and do not realize the great need of that beautiful district up there for the aid which I have pointed out to its trade and industry and all branches of commerce, having to do with the cost of living, the farmers' prices, and our unemployment scourge with all of its dangers and liabilities. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I hold in my hand a copy of the Washington Daily News for this afternoon which carries the screaming headline, "Hundreds homeless in California floods."

It so happens that that particular flood occurred in the northern part of my great State, but it might just as easily have been in the southern part, in which I live.

We have a grand and glorious State, full of sunshine, orange blossoms, beautiful girls, and the blue Pacific Ocean on its western border, but we do occasionally get rain.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mrs. ROGERS of Massachusetts. And why not speak of the splendid men from California?

Mr. HINSHAW. I thank you very much. The gentleman is most kind?

Mr. HOFFMAN. Will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. HOFFMAN. Are any of these girls on the Labor Board as review attorneys?

Mr. HINSHAW. I understand there is one in northern California who is on the Board.

Mr. HOFFMAN. Has she any other qualifications?

Mr. HINSHAW. Not that I know of. [Laughter.]

In my own particular section, the southern section, the average rainfall per year is something in the neighborhood of 18 inches. At least 17 inches of that occurs, as a rule, in the three winter months. The rest of the year you can go to sleep outdoors all night and not worry about a drop of rain on your head, but in the wintertime I have seen it rain as much as 12 inches in 24 hours. As I say, we are in the land of sunshine and all that; but when it rains, brother, it really rains. [Laughter.]

We are very grateful to the Congress of the United States, the Corps of Engineers, and other agencies of the Federal Government for the splendid work they have done to date in helping us to control the floodwaters that come down behind us from the mountains that lie above our principal cities. In the past and to date a considerable amount of money has been expended on flood-control work. I know, however, in the proposed detail for expenditure in the fiscal year 1941 in Los Angeles County it provides \$600,000 for reimbursement to local interests; \$1,274,000 for the completion of the Hansen Dam, which is a retarding basin; \$3,335,000 for the Sepulveda Dam; \$6,258,700 for the Los Angeles River channel. In addition to that, there are \$150,000 for the detail plans and surveys. The actual work proposed to be done in Los Angeles County in the fiscal year 1941 amounts to \$11,467,000. The

amount then required to complete this work after the fiscal year 1941 is \$12,990,800. Of this amount, \$1,110,000 remains to be expended on the Sepulveda Dam after 1941.

In the hearing, on page 146, under table 12, which states the amount that can be profitably expended during the fiscal year 1941 for flood control generally, as reported in the Annual Report of the Chief of Engineers for the Fiscal Year 1939, it shows that the amount that could profitably be expended in the Los Angeles County drainage area in the fiscal year 1941 amounts to \$21,454,100. If the two amounts that I have previously given, the proposed amount for the fiscal year 1941 and the amount required to complete after 1941, are added together, I believe you will find that the figures approximately add up to the total that could be done profitably in 1941 if the money were made available. In other words, the total amount of work that we are contemplating there could be completed in the fiscal year 1941.

In our section of the country, and because of our experiences, we very much appreciate the flood hazards that are likely to descend upon the rest of the United States. We are therefore most sympathetic toward flood-control works wherever they occur. We would like very much to have the work in our section of the country completed in the next fiscal year, as it could easily be done. However, there are certain of these works which actually should be completed, not only for the safety of our residents but for the safety of the work that has already been completed.

I am speaking particularly of the \$1,110,000 remaining to be expended after 1941 on the Sepulveda Dam. If this amount could be expended in the fiscal year 1941, and complete the work on that dam, not only would it safeguard the lives and property of people living below the dam, but millions and millions of dollars' worth of work heretofore done on the Los Angeles River channel could also be safeguarded from destruction in the event of flood.

I hope that when the bill is read for amendment the total amount in the bill, \$70,000,000 for flood control for the fiscal year 1941, will be increased. If such an amendment is made I shall support it wholeheartedly.

As you will remember, last year when this appropriation bill was before the House the President of the United States wrote a letter saying that if the bill were passed as it had been sent to the House he would set aside an additional \$50,000,000 from the W. P. A. funds to be used on flood-control work. It was most undesirable that that fund should be appropriated from the W. P. A. because when W. P. A. money is used on flood-control work there is necessarily a paragraph included in such contracts requiring that all except the most skilled labor shall be taken from relief rolls.

I note on page 133 of the hearings that the gentleman from South Dakota [Mr. CASE] inquired of General Schley concerning this matter. I read from the hearings:

Mr. CASE. During the past year did you have some relief funds available?

General SCHLEY. No, sir.

Mr. CASE. You did have some experience within the past 2 or 3 years in using some relief money?

General SCHLEY. Yes; we had.

Mr. CASE. What was your experience with that? Is that a satisfactory way of working on these projects?

General SCHLEY. It is not a satisfactory way of doing the class of work we have to do. There is a very small part of our work that is suitable for relief labor. The principal reason is that the plant has been developed so that the work on these projects would be unreasonably expensive if done by hand labor. For that reason we have a much greater cost for plant and materials than can be used under the regulations governing the use of relief money; and also there are not on relief the high-type skilled men needed to operate those machines.

Mr. CASE. You feel, on the basis of your experience, that if you were to have any given amount of money that would be better expended through the regular operations of the Army engineers than to have that amount earmarked in a relief bill?

General SCHLEY. Very much better. We have much of our work under contract, and it is difficult to get the contractor to work under those rules.

A few minutes ago I asked the chairman of the Appropriations Subcommittee in charge of this bill whether or not it was proposed that relief funds would be applied to flood-control works, and he answered that to the best of his knowledge he had no such intimation.

Mr. Chairman, I hope an additional amount will be appropriated for flood control, but I would oppose that money coming from relief funds for the reasons stated. I want to make sure that there is no such transfer, and I will join with others, as I did last year, in increasing the direct appropriation for flood control in order to obviate that possibility. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS of Colorado. Mr. Chairman, I have asked for this time in order to speak of a flood-control project far from the city of Denver, which I have the honor to represent. It is, however, a project of great importance to the State of Colorado and also to the State of Kansas. Furthermore, it is the project in which my deceased colleague took the greatest interest. When completed, it will be an imposing tangible monument to him and to the intelligent persistence with which continuously throughout 6½ years he urged and worked for its approval and construction. Work on it has already commenced and, I trust, will be carried on as rapidly as practicable to prompt completion. I refer to the Caddoa Dam and Reservoir project on the Arkansas River in southeastern Colorado.

Doubtless you all know of the interest in this project by the Honorable John A. Martin, Representative of the Third District of Colorado, whose sudden and untimely death on December 23, 1939, has saddened all of us. Throughout his term of service, from 1933 to 1939, he made as his principal objectives securing a favorable report by the Engineer Corps of the Army, approval and authorization by the Congress, and the beginning of actual construction of Caddoa Dam and Reservoir. Work on this project has been commenced and is now well under way. If John Martin were still living, it would be entirely unnecessary for anyone else to speak on this subject, because he would be here emphasizing to you with his characteristic vigor how much the carrying on and completion of this project means to southeastern Colorado and also to southwestern Kansas.

The able Representative of the Seventh Congressional District of Kansas, the Honorable CLIFFORD R. HOPE, I understand appeared before the subcommittee of the Appropriations Committee also stressing the importance of continuing and completing this project, not only to the citizens of John Martin's district in Colorado but also to Mr. HOPE's district in southwestern Kansas. Indeed, Caddoa Dam is not only of vital importance to two great congressional districts; it is also of State-wide moment to both Kansas and Colorado—the two most populous Commonwealths between the Missouri River and the Pacific coast. For 50 years continuously the sovereign States of Colorado and Kansas and their respective citizens have been litigating in many courts over their respective rights to the water of the Arkansas River. The completion of Caddoa Dam will compose these controversies.

The total Budget estimate for flood-control projects for the fiscal year July 1, 1940, to June 30, 1941, is \$70,000,000. For the present fiscal year, ending June 30, 1940, the appropriations for flood control aggregate \$133,000,000. The proposed reduction of \$63,000,000 would mean that the Engineer Corps of the Army would be unable to undertake construction on any projects which have already been authorized by the Congress but on which work has not yet begun. If the Congress appropriates for the next fiscal year no more than the \$70,000,000 estimated by the Budget, construction could be prosecuted only on those projects on which work has already been commenced, and such construction would necessarily be on a considerably reduced scale.

If you adopt no more than the Budget estimate, I am not informed as to what portion of this \$70,000,000 would be devoted to work on Caddoa Dam. However, I am confident that by reason of the high priority accorded to Caddoa Dam a proper proportion will be devoted by the Engineer Corps of the Army to this project. Probably \$2,000,000 would be so devoted to construction on this project, as set forth on page 5 of the report of the Committee on Appropriations on the pending bill.

However, I do wish to emphasize that any further reduction in appropriations below \$70,000,000 for the fiscal year July 1, 1940–June 30, 1941, would be disastrous to the entire flood-control program. Any further reduction below \$70,000,000 would render it impracticable for the Army engineers to carry on their work with efficiency. Furthermore, work on some of the projects now under construction would necessarily be suspended.

I am sure all of you share my regret that the gentleman from Colorado, JOHN A. MARTIN, is not here to emphasize to you the value of Caddoa Dam. But I trust that this statement of mine will suffice to remind you of its importance to almost half a million people and to the sovereign States of Kansas and Colorado.

The following statement, dated January 1, 1940, was prepared by Capt. James H. Stratton, Corps of Engineers, United States Army, the district engineer under whose direct charge work on the Caddoa Dam and Reservoir project is being executed:

INFORMATION CONCERNING THE CADDOA DAM AND RESERVOIR PROJECT

1. Location: Caddoa Dam will be located on the Arkansas River in Bent County, Colo., about 1.4 miles downstream from the village of Caddoa and about 58 miles upstream from the Colorado-Kansas State line. The dam site may be reached by automobile from Lamar or Las Animas, Colo., via United States Highway No. 50 to Hasty, Colo., thence south by a county highway 4 miles to the dam site.

2. Authorization and purpose: The construction of the Caddoa Reservoir project by the Corps of Engineers, United States Army, was authorized by Congress in the Flood Control Act of June 22, 1936, to provide for flood control and water conservation in Colorado and Kansas. Under the provisions of the Flood Control Act of 1938, operation and maintenance of the completed project will also be under the supervision of the Corps of Engineers.

3. Benefits: The Caddoa Reservoir will control all floods of record within bankful capacity downstream from the dam. In addition it will conserve the flow of the river for its regulated and beneficial use on irrigated areas, which at the present time depend on the erratic flow of the stream for their water supply. The upper portion of the reservoir will be used for flood control, permitting the reduction of all floods of record to about 10,000 cubic feet per second, or less, at the site. The lower portion of the reservoir will be allocated to conservation storage and will regulate all the run-off of the Arkansas River except during years of unusually large floods.

4. Watershed: a. General: The watershed of the Arkansas River above the Caddoa Dam site is about 206 miles in length, with an average width of about 92 miles, and includes approximately 18,910 square miles of drainage area, of which 5,800 square miles is rugged, mountainous country. The principal tributaries to the Arkansas River above the dam site are:

Watershed area

| | square miles | 940 |
|-----------------------|--------------|-------|
| Fountain River..... | do..... | 800 |
| Chico Creek..... | do..... | 1,850 |
| Huerfano River..... | do..... | 1,140 |
| Apishapa River..... | do..... | 1,450 |
| Horse Creek..... | do..... | 3,390 |
| Purgatoire River..... | do..... | |

Elevations range from over 12,000 feet in the headwaters to about 3,800 feet in the vicinity of the dam site, and slopes vary from a maximum of about 110 feet per mile in the upper reaches to about 7.2 feet per mile in the reach including the reservoir basin. These slopes result in flood flows characterized by rapid rise, high peak discharge, and short duration.

b. Precipitation: The mean annual precipitation on the watershed above the dam site varies between approximately 12 inches at Caddoa to 25 or more inches in the mountainous upper reaches, with an average of approximately 16 inches. Much of the precipitation in the mountainous region occurs as snow. The greatest recorded storm was that of June 2 to 6, 1921, which centered over the basin between Canyon City and Pueblo, Colo.

c. Stream flow: The flood caused by the storm of June 1921 resulted in an estimated peak discharge of 170,000 cubic feet per second at Caddoa and a total estimated run-off of 555,400 acre-feet. Legendary and historical accounts of floods on the Arkansas go back to the year 1844, in which one of the greatest floods of history occurred in the lower reaches. Available data indicate that in this year a great flood also occurred in the upper reaches, but information is insufficient to support a reasonable estimate of the peak flow. The mean annual discharge of the Arkansas River at Caddoa over a 23-year period between 1914 to 1937 is estimated at 315,000 acre-feet, with a maximum of 1,073,000 acre-feet in 1921 and a minimum of 89,000 acre-feet in 1934.

5. Description of dam: The dam will be a concrete and earth fill structure with a spillway located in the concrete section of the dam. The dam in the flood plain, including the spillway section, will have a length of about 4,000 feet and its crest will be at elevation 3880, or about 120 feet above the elevation of the present valley floor. The spillway section, with crest at elevation 3840, will be mass concrete founded on rock at the approximate elevation 3730. Control gates for flood control and low-water regulation will be provided

in the spillway section. Low dikes on top of both abutments connecting to high ground will increase the over-all length of the structure to a total of about 3 miles.

6. Reservoir: The reservoir at maximum pool, elevation 3,870, will be approximately 14.2 miles in length with an average width of about 1.9 miles. At this level it will cover an area of 27½ square miles. The conservation pool, elevation 3,851, will be approximately 11.8 miles long and will have an average width of 1.5 miles. The area inundated will consist of the river valley and rolling grazing lands to the north and sand hills to the south. Consideration of both adequate flood-control storage and protection without endangering the Veterans' Administration Hospital at Fort Lyon led to the adoption of a maximum pool elevation of 3,870, with total reservoir capacity of 655,000 acre-feet. A capacity of 385,000 acre-feet below elevation 3,851 will be allocated to conservation storage and 270,000 acre-feet from elevation 3,851 to elevation 3,870 will be reserved for flood control.

7. Relocations: a. Railroad: The main line of the Atchison, Topeka & Santa Fe Railway between Las Animas and Lamar, Colo., lies within the reservoir area and about 20 miles of line will be relocated. This relocation will involve about 3,920,000 cubic yards of grading, the construction of steel bridges over Rule, Caddoa, and Mud Creeks, and other appurtenant works. In portions of the area to be traversed by the relocated line there are shifting sand dunes of considerable magnitude. Stabilization of these dunes is being undertaken by the Corps of Engineers in consultation with the Soil Conservation Service.

b. Highway and utilities: 3.1 miles of county road in the vicinity of the village of Caddoa will be relocated. Several telephone and telegraph lines which are located within the reservoir area will also be relocated.

c. Municipal: The village of Caddoa, having a population of approximately 100, is located in the reservoir area, about 1.4 miles above the dam, and will have to be abandoned. Fort Lyon, a United States reservation and Veterans' Administration facility, representing an approximate investment of \$3,000,000, is located near the head of the reservoir. As a considerable part of this property would be subject to inundation if the maximum flood pool is reached unless protective works are provided, an earth levee approximately 2.3 miles long will be constructed around the reservation.

8. Construction program: From the War Department Civil Appropriation Acts of 1938 and 1939, \$3,893,100 has been allotted to the Caddoa Reservoir project, which will provide for completion of investigations, design, acquisition of land, and the relocation of the railroad. Bids for construction of the roadbed and masonry for the relocation of the railroad were opened at Las Animas, Colo., on November 13, 1939, the Western Contracting Corporation, Sioux City, Iowa, being the low bidder in the amount of \$1,058,668.40. A contract for the work was awarded on November 15, 1939, and work has commenced. It is contemplated that a contract for furnishing and erecting the steel for the bridges in connection with this relocation will be advertised in January 1940. The railway company will perform the work of laying and ballasting track and constructing the signal system. Design of the dam itself will be completed during the winter of 1939-40, and it is expected that a construction contract for the entire dam structure will be advertised in the late spring of 1940, subject to the availability of funds. Completion of construction of the project is scheduled for the summer of 1943.

Mr. SNYDER. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. CARTWRIGHT] such time as he may desire.

Mr. CARTWRIGHT. Mr. Chairman, I have asked for this time because I am interested in the bill but feel that certain changes should be made before final action is taken upon it.

I am very much interested in the construction of the Wister Reservoir on the Poteau River in Le Flore County, Okla. This is one of the projects in the Flood Control Act approved June 28, 1938, which authorized \$21,000,000 for reservoirs in the Arkansas River Basin. I feel that it should have been given priority in the recommendations of the engineers, but the excuse was given that the investigations had not been completed, and other reservoirs in a more advanced state of completion were selected. An allotment of funds totaling \$92,500 have been made to finish these field investigations and studies, and I am now informed that the detailed report on the development of this project is scheduled to be received in the Office of the Chief of Engineers about March 1, 1940.

In 1938 I had the honor to introduce President Roosevelt at Wister, and he spent about 5 minutes describing the benefits that would be derived from the construction of the Wister Dam. Last year a delegation of citizens from Le Flore County came to Washington and we had a hearing before War Department officials. We were led to believe that the Wister project would be recommended for construction this year.

Now the engineers say it will need additional authority; therefore, I have introduced a bill [H. R. 8421] to amend the

authorization for the Arkansas River Basin to provide authority for an additional appropriation in such amount as may be necessary to construct the Wister Reservoir. This bill is now before the Flood Control Committee and I understand hearings will be held soon.

This dam is greatly needed. Thousands of dollars worth of damage is incurred each year through floodwaters of the Poteau River. I, together with citizens of this territory, have been advocating this project for many years; the engineers have approved it and we feel we have waited long enough for funds for its construction. I believe that flood control is an essential part of our national defense and I am in favor of increasing the appropriation in this bill in a sufficient amount so that this and other meritorious projects may not be delayed any longer.

Mr. CASE of South Dakota. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to thank the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. SNYDER], also the majority and minority members of the committee and the head of the minority members, the gentleman from New Jersey [Mr. POWERS], for the interest they have taken in flood-control work. I know I have bothered them a great deal in the past in my interest in flood-control work on the Merrimack River, and I want them to know that I deeply appreciate all they have done in this bill. I wish they might have seen their way clear to have gone further, but I am very grateful for what they have already done. I hope that if a survey which is now being made of the Merrimack River and which contains further recommendations for flood control comes into the Congress in time for approval by the Senate that the House will agree to the inclusion in this bill of sufficient money to carry it out. The Merrimack River is an extremely important river. It runs through a closely populated valley. There are more industries in that valley than in any valley in the world. I want to tell the House again how important it is to protect life and property along that river and to bespeak your help.

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, in answer to the statement made by the gentleman from New Jersey to the effect it is the old Army game to come in here and ask for a lot more than they expect to get, may I say that surely no one would accuse the Army engineers of not being most conservative in all of their estimates and in all of their statements.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. I referred to the Army and the Navy. I still refer to the Army and Navy and not particularly to the Army engineers.

Mr. ELLIS. I thank the gentleman. In answer to the gentlemen who criticize the committee for letting the Budget do all of its thinking for it, may I say I am glad that in this instance the committee did not reduce that figure below the amount recommended. The committee did save, I believe, \$111,000,000 in the Navy bill. I am one of those who is disappointed because they did not use some of that which they had saved in this instance. I was one of those who went before the committee and asked for an additional \$50,000,000.

Last year the Army engineers said they could profitably expend for the fiscal year 1940, \$195,000,000. We gave them finally \$133,000,000, or 68 percent of what they said they could profitably expend.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. Is that not exactly like a man owning a \$4,000 house and saying that he could profitably expend \$500 for repairs if he had the money?

Mr. ELLIS. Yes, indeed; but I should like to call the gentleman's attention to the fact that we have projects authorized by authorization bills in 1936, 1937, and 1938 in the total sum of \$1,148,000,000, and that we have expenditures or

appropriations authorized not in that amount but in the amount of \$698,000,000 only, and all the time the Army engineers are basing their estimates not on the total amount of projects authorized but on the total appropriations authorized; therefore, they are ultraconservative.

Mr. POWERS. Will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from New Jersey.

Mr. POWERS. May I again remind the gentleman that if the Appropriations Committee took into consideration every authorization that has been passed we would be appropriating about \$20,000,000,000 a year, and the country would be in bankruptcy quickly.

Mr. ELLIS. In answer to what the gentleman states, last year we gave them 68 percent of what the engineers said they could profitably expend. This year they said they could profitably expend \$206,600,000. There was received from the Budget an item of \$70,000,000, and you approved that this year. That is 33 percent of what the Army engineers said they could profitably expend as compared with the 68 percent we gave them last year.

Mr. POWERS. The amount of money that the gentleman states the Budget recommended was the amount recommended by the President of the United States.

Mr. ELLIS. That is true, but the gentleman knows that we often change those amounts. The gentleman knows that we sometimes raise them and we sometimes lower them.

Mr. POWERS. That is the reason for the \$45,000,000,000 debt we have today.

Mr. ELLIS. Yes, but if you are going to go by the President's figure we have saved \$111,000,000 in one bill.

Mr. POWERS. We cannot save if we are going to reapropriate the money for something else. We are trying to save money.

Mr. ELLIS. Then, I will not use the word "save." We have come down from the figure which the President suggested to the Budget—\$111,000,000 in one bill alone. Now, I want to get this percentage over to you. If we should add \$50,000,000 to the \$70,000,000 which is here, that would be only 58 percent of what the Army engineers say they could profitably expend as compared with 68 percent which we gave them last year. We would still be 10 percent, as compared with last year, under what they say they could profitably expend.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I have taken a lot of the gentleman's time and while I have only a few minutes left, I yield the gentleman 2 minutes.

Mr. ELLIS. Mr. Chairman, 71 projects in this Nation will not be begun if this figure stands as it is, and that number does not include 91 projects in which there was manifested no local interest, according to the Army engineers. They did not include those in this figure.

Mr. Chairman, we have for a long time measured land in this country the wrong way. We have been measuring it in acres when we should be measuring it in inches deep. Flood control and soil conservation are all tied into one great program in this country. We have already lost 282,000,000 acres, so the Soil Conservation Service tells us, in land that has been utterly destroyed in this country by erosion, which is equal to eight States the size of my State of Arkansas. Every year there is poured into the ocean around these United States enough soil, so the Soil Conservation Service tells us, to fill a sufficient number of freight cars to wind around this old earth 18 times at the equator.

I certainly hope that before this bill goes to the President amendments will be offered to increase the appropriation by \$50,000,000, and I hope the gentlemen of the committee will not oppose those amendments.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, this is just to call attention to editorials in the local papers published here in Washington concerning the precedents that were cited by Attorney General Jackson as to why he should not tell the Smith committee whether Mr. Madden and his friends on the Labor

Board had violated the statute. The thought that came to me was that undoubtedly under those precedents Mr. Jackson is right. He had no duty to advise us. He is the adviser of the President.

Then I wondered, Mr. Jackson having taken the oath of office—I suppose he took it; it has been customary prior to this administration—to enforce the laws, if, having had these facts presented to him—and it is not a case where Jones says it is so and White says it is not so, it is the testimony sent over by the Smith committee that Mr. Madden himself gave as to what he and his subordinates did in the way of lobbying and how they spent Government money—the facts being admitted and Mr. Jackson not even having, as Murphy did when he was Attorney General, to look up the law to find out how much power the President had or did not have—Mr. Jackson having the statute right there before him and having the facts before him, whether, if he could not advise Congress, he could not take time off from whatever he might be doing to decide whether or not Madden and his associates had violated the law and some action be taken. We must assume that Jackson, being an efficient and conscientious Attorney General, would prosecute if an offense had been committed. Then we must draw the conclusion, inevitably that if he does not do anything, being so anxious to perform his duty, and having the statutes and facts all before him—all sent over by the Smith committee, that in his opinion no offense was committed. So, after all, by his conduct, no matter what he said, he has advised us, has he not? And that is why I am speaking, to call it to his attention that despite the fact that he said he could not advise us, despite the fact of all those precedents, he has practically told us that no offense was committed.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Perhaps the Attorney General has other matters to consider which are of far greater importance to the people of the country than this little matter to which the gentleman is calling attention, and those cases should be taken care of first.

Mr. HOFFMAN. Perhaps the gentleman is right. I suppose from his viewpoint, this question of the spending of Federal money by Federal officials to influence legislation in violation of a statute may not be of much importance. If that is the gentleman's view, it is all right with me. I am not attempting to advise the Attorney General. I am just calling attention to the fact that, despite his statement that he could not advise us, he has by the fact that he has not taken action, as he would if an offense had been committed, he being one charged with the duty of prosecuting offenders, has, in fact, told us that no offense was committed, which must be good news to Mr. Madden.

Mr. EBERHARTER. I may say for the record that those are not my views.

Mr. HOFFMAN. That is fine. I wish the gentleman would speak to Mr. Jackson.

The editorial and the news item to which I referred are as follows:

[From the Washington (D. C.) Evening Star of February 26, 1940]

JACKSON DECLINES TO TELL SMITH IF NATIONAL LABOR RELATIONS BOARD BROKE LOBBYING LAW

Attorney General Jackson declined today to tell House investigators whether the National Labor Relations Board had violated a law which forbids the use of Federal appropriations for lobbying.

He wrote Chairman SMITH, of the committee investigating the Board, that the Justice Department makes legal rulings only at the request of the President or the head of an executive department.

The committee recently received evidence tending to show Chairman J. Warren Madden, of the Board, and some of his assistants actively sought to rally witnesses in opposition to Wagner Act amendments. Representative SMITH then asked Mr. Jackson for a ruling on the possibility that the Board was violating the law by following that procedure.

Mr. Jackson's letter said, in part:

"Almost from the beginning of the Government, my predecessors have, with great unanimity, taken the position that the statutes prescribing the duties of the Attorney General do not

authorize him to render opinions to the Congress or to its committees or Members.

"These statutes have not been substantially changed since 1789. As early as 1818, Attorney General Wirt, and as late as October 4, 1939, Attorney General Murphy each ruled that under the statutes Attorneys General are not authorized to give official opinions on questions of law except upon call of the President or the head of an executive department to enable him to decide a question pending in his own department for action.

"It has been pointed out that the effort to advise both the executive and the legislative branches of the Government would be inappropriate under our doctrine of separation of the powers of the two branches, and that, like other efforts to serve two masters, such a practice would likely introduce conflict of duties. Congress has never seen fit to change the statutes so construed, and I take it that in spite of frequent requests for opinions Congress, in its deliberate judgment, has acquiesced in the meaning so uniformly ascribed to these statutes for well over a century."

SPEAKING OF PRECEDENTS

Attorney General Jackson refuses to advise a committee of Congress whether he thinks Labor Board officials violated the law when they drummed up labor-union pressure against proposed economies in the Board's appropriations.

Mr. Jackson cites a long line of precedents to prove that the Attorney General is the chief counsel for the executive department only. In other words, if the legislative department wants legal advice it will have to go elsewhere.

So be it. We wouldn't care to argue precedents with so eminent a practitioner.

Anyway we are more interested in another line of precedents and in what the Attorney General is going to do about observing it. We refer to the long-established custom of public prosecutors taking questions of alleged violations of the law before grand juries and courts.

The evidence has been handed to Mr. Jackson on a silver platter—evidence that Labor Board officials, by long-distance telephone and telegraph, at Government expense, organized a campaign of protest to Congress against proposed cuts in Labor Board appropriations. And the chapter and verse of the law have been cited—that forgotten law, honored more in breach than observance, a law stating clearly that no funds voted by Congress shall ever be used directly or indirectly to "influence a Member of Congress to favor or oppose any legislation or appropriation."

If Labor Board officers were the only offenders this apparent violation might be shrugged aside. But the fact is that for years the whole Federal bureaucracy has been feeding its increasing appetite by just such high-pressure lobbying as referred to here.

So, we ask, is Mr. Jackson going to enforce the law or isn't he?

Mr. SNYDER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this appropriation for flood-control work means everything in the world to the section of the country from which I come. We have a little section of the country about 50 miles wide and 30 miles deep in which 3,000,000 people live, a section where we have not only a great city and large industries but also a lot of little farms and little homes, a great number of which are exposed constantly to danger from what we call flash floods. A flash flood is one that can come in a matter of 3 or 4 hours if the rains are heavy in the mountains which lie immediately back of this very heavily populated area.

The only protection we can have against such floods and the only means we can have for controlling those life-giving waters so that they may be a means of help to humanity instead of a means of destruction is this flood-control program and water-conservation measures. I appeal to you to consider this thought, that if the figure contained in the bill of \$70,000,000 is adhered to, if it is not increased, it may mean that little work will be done—I hope this is not true, but I fear it is—on the San Gabriel River, a stream which crosses all the transcontinental railroads going into Los Angeles city, a stream whose flooding in 1938 cut off the city of Los Angeles and that whole area from all the rest of the Nation for a period of about 30 hours, and a stream whose waters have destroyed many a home and farm and caused very great damage to the people of our section.

In addition, we have a situation there where, unless this program is vigorously pushed, even the money heretofore expended may be lost, for our floodwaters are not just waters, they are waters which contain gigantic amounts of debris and boulders, so that our dams fill up and the flood works already constructed in the channels are destroyed unless the program can be pushed forward as rapidly as possible to completion.

I come before the House not as one who is merely begging for Federal assistance but for the reason that the county of Los Angeles has spent \$70,000,000 itself on its own flood-control program and will continue to spend every penny it can for the protection of its people. I hope, however, that it is clear from the speeches that have been made here this afternoon how very important and how very vital this matter is to us. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, as you know, the Congress in the Flood Control Acts of 1936 and 1938 authorized projects totaling \$700,000,000. These projects were to be completed over a period of 5 years. Last year the Army engineers received \$133,000,000 for flood control. The Budget recommended for next year only \$70,000,000, making it impossible to start many worth-while projects and making it necessary to reduce appropriations for meritorious projects now under construction.

I am convinced that flood control is a most essential part of national defense and feel that \$50,000,000 of the funds proposed for national defense should be transferred to the appropriation for flood control. This represents the price of one large battleship, which would require about 5 years to build.

At three places in the world major wars are being conducted and new machinery of destruction is being devised constantly. For this reason we should not spend an unreasonable amount for military equipment which might be made obsolete in the course of a few months. One flood such as we experienced in the Ohio Valley in 1937 could paralyze industry and transportation for 2 or 3 months. If this happens during the crisis of a great war, no one could predict what disastrous consequences might follow.

Economy is essential, and it is for this reason that I suggest a transfer of funds rather than an increase in the Budget. By this action on the part of the Congress flood control would be promoted, national defense would be more secure, and the same degree of economy would be achieved. I am vitally interested in the flood-control problem of the Nation, in the protection of human life and property from flood, and especially am I interested in securing reasonable funds to carry out the program of the Federal Government in acquiring assets of the Muskingum conservancy district, thereby permitting the full use of the 14 reservoirs that have been constructed for flood control in the Muskingum Valley.

It is my hope that sufficient money can be made available in the next 3 years to wholly carry out the terms of the last Flood Control Act, as they apply to the Muskingum Valley. For this reason I am urging the largest possible amount for flood control that can be reasonably appropriated within the total Budget recommendations.

The economy and common sense of flood control can be illustrated by a consideration of flood losses in the Ohio Valley alone.

In 1913, 425 people drowned and \$180,000,000 worth of property was destroyed.

In 1933, 10 people were drowned and \$100,000,000 worth of property was lost.

In the flood of 1936, 187 people drowned and \$250,000,000 worth of property was lost.

In 1937, 500 people drowned and the property loss was estimated at \$500,000,000.

In fact, in the past 65 years more than 50 floods have occurred in the various parts of the Ohio Valley resulting in a loss of more than 1,000 lives, with a conservative property loss well in excess of \$1,000,000,000. Since 1933, more property has been lost in the Ohio Valley alone than would be required to complete every flood-control project thus far authorized by Congress for the entire Nation. This is one program where we can move forth and be certain of saving far more than we expend for flood control. Nothing is more economical than to increase the flood-control appropriation by reducing other items in the Budget which are far less necessary.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield.

Mr. RANKIN. Have not those low dams that were built in the Ohio River by the Hoover administration a few years ago contributed largely to that condition?

Mr. SECREST. In my opinion, dams for river improvement to raise the water level for navigation retard a certain amount of water and, of course, when you have a big flood those dams are low.

Mr. RANKIN. If they had been high dams, such as the dams on the Tennessee River, this trouble could be averted, and they would have produced enough power to pay for themselves in a few years.

Mr. SECREST. We are building those large reservoirs now. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. Ludlow].

Mr. LUDLOW. Mr. Chairman, I rise today to propose a plank for the next Democratic national platform. To show how impartial and cosmopolitan I try to be, I propose the same plank for the Republican national platform—

Mr. RANKIN. Just let them try it first. [Laughter.]

Mr. LUDLOW. Wait until you hear the plank. I will say to my beloved friend from Mississippi that the plank I propose is a universal plank, good for all parties, and if there be those who are looking for platform material for the minor parties I recommend it to them, too. [Laughter.]

The plank which I propose for the Democratic national platform, the Republican national platform, and all other national political platforms, in 1940, is as follows:

Resolved, That we favor a Nation-wide referendum before declaration of war, except in case of invasion or internal rebellion.

The plank I suggest would fit well into the platform of all political parties because it is American, and not partisan. Since its purpose is the extension of the frontiers of democracy in a world where totalitarianism is rampant and aggressive it would be particularly appropriate to give it a place in the 1940 platform of the Democratic Party of America—the party that was founded by Thomas Jefferson and dedicated to the defense and perpetuation of human rights. The plank I propose would round out and complete Jefferson's cherished Bill of Rights and make it more definitely applicable to twentieth-century conditions.

APPEAL TO YOUTH

My appeal today is to the youth of our land, the makers of the America of tomorrow. I wish I had the ability to deliver a speech that would be a ringing challenge to our young people, a speech that would stir them to a sense of their responsibilities as they have never been stirred before; a speech that would arouse to intense activity their patriotic consciousness, their alertness, and their constructive genius. I say this because I frankly believe that we elders have made a mess of it in charting the future destiny of America and that it is time for our young people to take over and establish a new order of economic stability and peace on the foundations of democracy. As I approach the shades of evening I can think of no task in the limitless field of service that would be more soul satisfying to me than to be one of the leaders in starting what might appropriately be named a youth movement for democracy in America.

Such a movement is long overdue, and now is the ideal time to launch it and start it on its way. We are beginning a new epoch in history—the epoch of the 1940's. On the threshold of this epoch we should let the dead past bury its dead and turn our faces to the future. Is it not an inspiring thought that we should pause at the beginning of this new epoch, take stock of our precarious position in a world of strife and the depths of human suffering in our own land and do some real planning, to the end that by the time this decade is ended America may be on a solid and permanent foundation of peace with all nations and economic sufficiency at home? And who could most appropriately assume that gigantic task of master building—the statesmen who have run their course and who have not been able to bring America out of its muddled condition, or the young men and women who are now coming into the heritage of the fathers and on whom the

full responsibility of government will soon rest? It seems to me there is but one answer to this question.

TWO ORGANIZATIONS THAT MIGHT PROPERLY LEAD

I plead with such organizations as the Junior Chamber of Commerce of America and the Young Democrats of America that now is the time to assert themselves and to assume the task of cooperation in the building of a better economic future for our country, a future in which hunger and nakedness will disappear from our midst and our peace with all nations will be established on a basis of permanent stability. If I could, I would like to say something today that would thrill these two great organizations with a realization of the opportunity for service in nation building that now lies before them. I refer to these large groups by name because I know the philosophy that inspires and actuates both of them. It is a true American philosophy. Both are opposed to participation in foreign quarrels that are none of our business. If America were attacked by some foreign foe, they would rise to the last man to the defense of our homes and firesides, but the internationalist meddlers could never get them to agree that all of Europe is worth the blood of one American boy. These groups both believe in keeping out of foreign entanglements and in making America a worth-while place for future generations, where our children and our children's children can live free from worry, in the full enjoyment of their God-given right to life, liberty, and the pursuit of happiness.

The Junior Chamber of Commerce is composed of members of both political parties, between the ages of 21 and 35, and the Young Democrats of America is a democratic organization, but both believe that the paramount duty is to keep out of the miasmas of hates, boundary disputes, blood feuds, and the like that are sinking so many foreign nations to the depths of perdition. There are many other organizations of young people, church and secular, practically all of the members of which are of military age, all willing and anxious to do their duty as God gives them the light to see their duty but who abhor the thought of involvement in foreign wars, and to them also I present my plea for support of a youth movement for democracy in America.

PLANK PROPOSED BY YOUNG DEMOCRATS

Now let us consider a little further the plank I propose for the 1940 national political platform:

Resolved, That we favor a Nation-wide referendum before declaration of war, except in case of invasion or internal rebellion.

Do you recognize that plank as something you have heard before? Does it have a strangely familiar ring? It is not my language but it is an exact copy of a resolution adopted by the Young Democrats of America, that splendid organization of 5,000,000 young men and women who are among the coming citizens of our country, at their national convention held in the city of Indianapolis in August 1937. When James Roosevelt, the chairman of the convention, put the question there was not a single negative vote and the resolution was adopted unanimously, with cheers and stirring emotion. It shows the vision of our young people—the future defenders of the Nation—on this subject. While I did not draft the plank I am proposing, it being the voice of the Young Democrats of America, 5,000,000 strong, yet I do endorse it a thousand percent.

It embodies exactly the idea contained in my proposed war-referendum amendment to the Constitution, which would give the people a right to vote on participation in wars overseas. I will quote the text of the resolution, which I have been urging before Congress for many years, and I am sure all will agree that the two proposals are identical in meaning and substance. My resolution—House Joint Resolution 89—is as follows:

SECTION 1. Except in case of invasion by armed forces, actual or immediately threatened by an approaching military expedition, or attack upon the United States or its Territorial possessions, or by any non-American nation against any country in the Western Hemisphere, the people shall have the sole power by a national referendum to declare war or to engage in warfare overseas. Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people.

Sec. 2. Congress shall by law provide for the enforcement of this section.

Sec. 3. The article shall become operative when ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution.

Platform planks necessarily must be brief and concise and confined to a statement of principle. The resolution I have proposed—House Joint Resolution 89—would be exactly the proper vehicle to write into the Constitution the immortal principle of democracy adopted by the Young Democrats of America at their national convention of 1937 and generally approved since that time by the youth of our country.

It would be a fine thing for the future of America if our young people would get back of this principle with the fervor of crusaders and would create such a sentiment and such a movement that there would be no doubt of its adoption in the platforms of the major political parties. Here is an opportunity for youth to be of real service in charting the way to a better future of America. It is their opportunity to make certain that totalitarianism and absolutism, which are murdering liberty in so many foreign countries and reducing human beings to the level of slaves, shall never make their hateful appearance in America.

ENLARGEMENT OF DEMOCRACY NEEDED

What the youth of America should be most interested in and what they can bring about if they set themselves resolutely to the task, is an enlargement of democracy in America. That is the gateway to the more abundant life, to the equality of opportunity, and the freedom of action that are the hope and dream of youth. That is the approach to peace and to the happiness that can be founded only upon economic justice and stability. Democracy is the antidote for war. We will get rid of war as we build up our democracy. Wars are not made by the people but by rulers. Woodrow Wilson strikingly placed the responsibility for wars when he said that he had heard of governments making war on governments but never within the entire range of his study and observation had he known of peoples making war on peoples, and the same sentiment was expressed by Franklin D. Roosevelt when he said that "War by governments" must give way to "peace by peoples."

If the amendment which I propose is written into the Constitution, giving the people a right to vote on participation in foreign wars, the most far-reaching possible step will be taken to keep America out of war and to save our young men from the slaughter pens of foreign carnage. If the constitutional amendment approved by the Young Democrats of America and translated into legislative terms by my resolution is adopted, democracy—the rule of the people—will really begin to function in America.

A DEMOCRACY IN NAME ONLY

Until this vital principle is written into the Constitution, America will be a democracy partially and in name only. We call ourselves a democracy, but our democracy stops at the water's edge. In its foreign relations our Government is not a democracy at all but a pure autocracy. A little group in Washington, infinitesimal compared with the entire population, decides whether the blood of our sons shall redden the soil of foreign battlefields, and the people have no decision in the matter. The American citizen can vote for constable or dog catcher, or he may express himself at the polls on the establishment of a pesthouse or the location of a sewer, but he is denied by the Constitution as it stands today any right to vote on the question that most intimately affects his home and his loved ones, the tragic question of war or peace. To me it seems awfully unjust that our young men, the flower of our manhood, the Nation's cannon fodder, have no opportunity to express themselves at the polls on proposals to herd them and send them away to fight and die on fields of foreign carnage in the settlement of age-old boundary disputes and feuds the origin of which no man knows and the end of which no man can foresee. This is as cruel a denial of justice as the imagination can conceive.

The adoption of the constitutional amendment championed by the Young Democrats and embodied in my resolution would broaden our democracy by making the people, instead

of a little group, the arbiters to decide when our young men shall be sent overseas to be rammed through with bayonets or strangled with poison gas in some foreign conflict. The time will come when the people of America will demand that right and get it, and then our boasted democracy will become a real democracy. Surely if Representative John Smith's constituents have sense enough, information enough, and intelligence enough to vote for him for Congress, they have sense enough, information enough, and intelligence enough to vote on whether or not they want their sons sent abroad to die in foreign wars. To refuse them such a vote is a cruel denial of what rightfully belongs to them in a democracy.

HOW YOUNG PEOPLE CAN HELP

The young people of America can correct this condition if they will take up the cudgels fearlessly and unitedly and will demand that our democracy shall be broadened so that it will apply in the settlement of the great and tragic issues as well as in the minor and inconsequential things of life.

Sooner or later this issue must be met and our young people would do well to think about meeting it now. Just as Lincoln said that this Nation cannot exist half slave and half free, neither can it exist forever as an Anglo-American democracy, as the internationalists would have it, with emphasis on the "Anglo." Sooner or later the oncoming generations will see the light and then there will be ushered in a new conception of America for Americans, undiluted by foreign "isms" and unfettered by foreign entanglements. But this deliverance will not be effected until the people have a broader conception of and a greater yearning for democracy. They must be made to realize how little our people have to do with the conduct of foreign affairs. They must be made to appreciate how highly centralized the war power is now, when 267 Members of Congress, a bare majority in both branches, could vote a declaration of war, and any President, through the enormous power he wields, could force them into doing it at any time he pleases to involve the country in war. They must be made to see how very little the women of America now have to say in regard to a declaration of war, although they bear the cannon fodder that makes war possible.

As Congress is now constituted, only 6 of the 531 Members are women, so you see how pathetically impotent is the opportunity to give expression to whatever may be woman's viewpoint on any particular war proposal. And why should women not have a vote on participation in foreign wars? They go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict? [Applause.]

A PERFECT MECHANISM TO INSURE PEACE

Finally, before our people will capture the war power and hold it for themselves to exercise there must be a dissipation of the fogs of deceit and misrepresentation that have been purposely created to cloud the issue. The opponents of the proposed referendum have harped on the claim that instead of keeping America out of war it would more probably get us into war, as the people are more likely to be swept off of their feet in a wave of emotionalism than the Congress is. Those who raise this hoary objection either do not know anything about the mechanism that is set up in my resolution or they intentionally misrepresent it. The resolution says that "Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people."

In other words, there cannot possibly be any referendum until the question is referred to the people by a concurrent congressional resolution. Congress must act first and must decide that the time has come to give consideration to a declaration of war, and must so express itself in a resolution, before the people can vote on the question. To put it in another way, Congress must be swept off its feet before the people can be swept off their feet. The final decisive vote will be by the people, and that is where it ought to be, because that is where sovereignty abides. Thus the mechanism of my resolution establishes a double check on war. Now the only check is in Congress, which is singularly overlorded and in-

fluenced by the individual who happens at any given time to be President. Under the referendum plan another check is added in a vote by the people themselves, which may approve or disapprove the opinion expressed by Congress. This proposed double check on war would be the greatest peace assurance our country could possibly have. I believe that under the operation of this mechanism America would keep out of all foreign wars—and, indeed, out of all wars—unless occasion might arise to wage a righteous war of defense, which is highly improbable.

This very desirable and beneficent result would be accomplished without the least impairment of our national defense. In case America or any other country in the Western Hemisphere is invaded or attacked, the referendum would not apply. Unless this amendment is written into the Constitution there is every reason to fear that the intensifying of the war in Europe will sooner or later drag us into that conflict.

UNION OF YOUTH FORCES URGED

There are problems of the most acute nature at home which demand the attention of our young people. Youth will be serving well if it dismisses Europe from its worries and concentrates its devotion and constructive genius on making America a better place in which to live. While preparedness is necessary in a world of strife, the youths of America will lay the groundwork for the fulfillment of our magnificent national destiny envisioned by the founding fathers if they will mold our thinking, and as far as possible the thinking of the world, away from the mass murder called war in the direction of love and kindness and the Christian virtues. There is the task of the rehabilitation of millions upon millions of underfed and underprivileged Americans who are the tragic victims of the depression, the backwash of the last war. That task must not be neglected. The problem of unemployment, with its attendant misery and suffering, is crying to heaven for solution. It can be solved if our young people will solemnly resolve that America is not going to be dragged into any foreign entanglements and that our national energies shall be given henceforth, forevermore, to building a better America for Americans.

I hope that our young folks—the makers of the America of tomorrow—will unite their combined forces with the movement which has started at the grass roots of America and which proposes to give the people control of our Government in international as well as domestic affairs through the enactment of a referendum on foreign wars. If they will do this, there will be no need to fear that secret treaties and underhand diplomacy will ever drag us into wars in the future.

The youth of America have it within their power to create a new order that will guarantee the peace and economic security of our country in the long years to come. I hope they will get busy on every front; that they will hold meetings and discuss the question and that they will lose no opportunity to call attention to the fact that five Gallup polls have shown a large majority of the people to be for my referendum proposal and to impress upon the political leaders that if they want an issue that will win the general acclaim and support of our people, they will stand foursquare for a plank declaring for a constitutional referendum on participation in foreign wars.

The most striking cartoon I have seen in many a year appeared in the newspapers only a day or so ago. It was a vivid reminder of the immortal truth of Woodrow Wilson's assertion that war is made by governments and not by peoples. In that cartoon European rulers were assembled around a table playing the game of war. Each ruler had a sizable stack of chips in front of him. Churchill said:

I bet you a million boys.

It came Daladier's turn, and he remarked:

I stay.

On the other side of the table was Hitler. He surveyed his hand with a satisfied look and said:

Dct's fine; und I raise you annudder million poys.

If the boys of America have in them the mettle I think they have, they will not be content to be mere pawns in the game of war. They love their country and would willingly die in its defense, if need be, but they are not going to be herded and sent into slaughter pens in far-away Europe or Asia without having something to say about it. It is this feeling, so obviously based in justice and so consistent with the principles of true democracy, that is bringing the youths of America in great numbers to the support of my proposal to give the people, including those who have to fight and die, a right to vote on participation in overseas warfare.

Youths of America! I beseech you to prepare, before it is too late, to protect and defend your priceless heritage of freedom. If we are dragged into another world war there will be no freedom left to defend. [Applause.]

Mr. SNYDER. Mr. Chairman, I want to ask the ranking minority Member, the gentleman from New Jersey [Mr. POWERS], and the rest of the committee to sympathize with me in view of an oversight of mine.

Mr. POWERS. I am always sympathetic toward any request of the gentleman.

Mr. SNYDER. In my presentation of this bill, the gentleman from Virginia [Mr. BLAND] got up and interrogated me several times. For some reason or other I did not put his name down here on the list as having 10 minutes coming to him, and I am going to ask unanimous consent that he be allowed to have 8 additional minutes to the 2 minutes I have remaining, because of my oversight.

Mr. POWERS. Reserving the right to object, the gentleman is asking that the gentleman from Virginia receive 8 additional minutes and the gentleman from Pennsylvania is allotting him 2 minutes at the moment, which makes 10 minutes in all.

Mr. SNYDER. Yes.

Mr. BLAND. If the gentleman will permit, I will tell him that I do not expect to use the 10 minutes. I did ask for the 10 minutes and I did not get it; and, in view of the lateness of the hour, I do not think it would be fair to keep the gentlemen here any longer than 2 minutes.

Mr. POWERS. I do not object, Mr. Chairman.

Mr. HOFFMAN. I do not object, either. That is one of the reasons I have been sitting here all this time.

The CHAIRMAN. It was the House that fixed the time for debate and the Committee cannot change that. However, if it is agreeable to the gentleman from Pennsylvania and the gentleman from New Jersey, as well as the gentleman from Virginia, the Clerk can read the first paragraph, and in that manner the gentleman from Virginia can be recognized for 5 minutes.

Mr. POWERS. Under the rules of the House, can the gentleman be recognized after the first paragraph has been read?

The CHAIRMAN. The gentleman can move to strike out the last word and be recognized for 5 minutes.

Mr. POWERS. Did not the House agree that when the first paragraph was read the Committee would rise?

The CHAIRMAN. A motion to strike out the last word is entirely within the discretion of the Committee itself.

Mr. POWERS. At this late hour, Mr. Chairman, we could go on all night with striking out as many words as there are in the first paragraph.

The CHAIRMAN. Until a motion to rise was made.

Mr. POWERS. I shall not object to that; but if anyone else attempts to strike out the last word, or anything like that, I must object. It is perfectly all right with me for the gentleman from Virginia to proceed.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, namely:

Mr. BLAND. Mr. Chairman, I move to strike out the last word.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. POWERS. I understand that it is the purpose of the gentleman from Virginia merely to make a statement?

Mr. BLAND. That is correct. I shall make the major portion of my address tomorrow. The matter to which I shall address myself does not concern me personally any more than it concerns every citizen of the United States. It is the omission of any provision for the Panama Canal under which the work of providing additional facilities may proceed. It concerns every citizen of the Nation just as much as it does me, and while I realize that the problems before the Committee on Appropriations and their efforts to economize are important, yet at the same time I feel that they have made a very great mistake in this particular instance, and that they do not comprehend its importance because of the pressure that is on them in studying other questions that are before them.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. POWERS. Mr. Chairman, of course, I disagree with the gentleman from Virginia. I am not going to reply to the gentleman this afternoon, but when he makes the major portion of his speech tomorrow or offers an amendment I shall reply.

Mr. BLAND. I think the gentleman is quite apt to reply. I think, Mr. Chairman, if the Committee had read House Document No. 210, Seventy-sixth Congress, the report made on this proposal, and outlining the reasons for it, the Committee would have taken an entirely different view. I call attention now to the testimony of Commander Lowe, of the Navy, before the Legislative Committee when we held hearings on the authorization bill. He said:

Since March 13, the date of the Navy Department letter to this committee, there has been an opportunity to study the plans developed by the Governor of the Panama Canal. Those plans were presented to the committee yesterday. It is believed that those plans are the best that can be produced, all things considered. The additional facilities, including protection, can be provided under those plans at something less than one-third of the cost of the Nicaragua canal. That is a very considerable item. But what is even more important, from the viewpoint of the Navy, it can be done in about 6 years as against 12 to 15 years for the Nicaraguan route. It is very important that an additional safe passage be provided as early as possible; it is equally important that the larger locks be provided, and quickly.

The beams of our older battleships that have been modernized approach very closely the width of the present canal locks. They make a very tight fit. Our ships now building will make an even tighter fit. The question of wider locks is now a pressing consideration, and the trend of construction in both naval and merchant ships is toward larger and larger vessels. At the end of 6 years, unless this trend is halted or reversed, the present locks will be too small to take the ships that are being completed at that time, unless, of course, we accept ships that are inferior in size and protection to foreign ships which they be called upon to engage in battle. This statement is based upon the needs of national defense and no other consideration.

A great deal has been said today about the danger of air raids. The greatest danger, Mr. Chairman, much more to be apprehended than air raids, is the danger of sabotage. It is that a vessel of a foreign power, an enemy of the United States—wars are not declared now—going through the present locks of the Panama Canal, and being blown up while in those locks. Considerable damage would be made to those locks in that way, much more than could be done by any airplane raid. It is for that reason that it is desired to have locks that are not contiguous to the present locks, that are some distance removed, so far removed that sabotage will not affect the additional locks, and which will provide defenses both against sabotage and against air raids. Also, may I say, that this will provide additional locks that may be used entirely by the Navy. No other ships would be permitted through them in time of war or even if an emergency were remotely possible.

I ask unanimous consent to extend my remarks, and later, when we get into the House, I shall ask unanimous consent to incorporate in these remarks excerpts which I had hoped to be able to present in a 10-minute speech.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. BLAND. When the bill which authorized the additional locks at Panama became law last year, the President of the United States deemed the work of such importance that an

estimate was sent at once to the Senate for the sum of \$15,000,000 to be included in the last deficiency bill, but the bill had passed the Senate, and the item was not included. As a result, 1 year of the 6 needed for construction of the locks was lost.

The estimate has again been presented; and if not included now, another year will be lost.

In the colloquy earlier today between certain members of the committee and me it was stated by members of the committee that as 2 years would be needed for certain plans the money was not needed now. If attention is given the testimony of General Ridley, Governor of the Canal, on page 3, it will appear that Governor Ridley, when asked if the engineering plans and specifications were in such shape that he could proceed immediately, said that the plans previously made as the basis for the report to Congress and the investigations related to the foundations and the general outline of the layout of the lock structures, but that the detailed plans have not been started; and it will be necessary, in order to go ahead on the detailed plans, to have the money we are asking for, and that for the locks it would take a couple of years.

Asked as to testimony said to have been given 2 or 3 years ago to the effect that it would take at least 10 years to complete the plans and specifications and the preliminary engineering investigation for additional locks, Governor Ridley said:

I think the statement was a little different from that. It said that it would be carried on over that period. It depends on the rate at which you do the work, and as the lock, from a commercial standpoint, is not needed soon, this work was going to be carried on by a relatively smaller force over a longer period of time.

But after the war situation became more involved, and after conditions in Europe developed, it then became necessary to proceed more rapidly. This third-lock project became a national-defense feature more than a commercial feature, and it was necessary to speed it up.

So we presented a project under which we could do this work in about 6 years. Of course, the locks do not have to be designed at the beginning, because the contracts for them would not be made until the excavation had been finished. So by putting on a larger designing force we figure we can finish that work in 2 years.

In other words, what is stopped by the failure to make the appropriation is the work necessary to make locks usable when installed. It is just the same as if a bridge is to be built and road work done in connection therewith which is essential to that bridge and to work on that bridge.

When the location for the bridge and the general plan for the structure have been fixed, it is not necessary to delay the construction of the road, because detailed plans are not ready for the bridge, which is the last thing to be built. Appropriations for battleships are not delayed until final plans have been prepared.

Recourse to the sketches of the proposed additional locks and bypass channels attached to, and a part of, the letter from the Secretary of War, transmitting a report of the Governor of the Panama Canal of his investigation of the means of increasing the capacity of the Panama Canal for the future needs of interoceanic shipping, made pursuant to Public Resolution No. 85, Seventy-fourth Congress, will show the plans and how essential it is that preparatory work shall be done now. The letter referred to is House Document No. 210, Seventy-sixth Congress, first session.

Before the work of installing locks can be undertaken there must be construction of camps for workers, railroad construction, electrical construction work, dredging of approaches, land surveys, replacements of aids to navigation, replacement of some Army facilities incident to the work, removal of dirt on the upland, and other items necessary for work on the locks. This is the work covered by the estimates and authorizations which have been rejected. If the detailed plans of the locks were available now, the preparatory work would have to be done and the work could not be advanced; but so long as this preparatory work shall not be done, the facilities needed for national defense must be delayed.

The Committee on Merchant Marine and Fisheries went very fully into the needs of national defense when it considered the bill which was subsequently enacted into law, and on which the estimate is based.

The Committee on Merchant Marine and Fisheries heard proponents for, first, the Nicaragua Canal; second, a canal through Panama about 150 miles west of the Panama Canal, known generally as the Chiriqui route; and, third, the Tehuantepec canal through Mexico. After full consideration, the committee on April 26, 1939, reported to the House the bill which subsequently became law. In its report the committee said:

So far as the commercial needs of the canal are concerned, the conclusion was reached that the capacity of the existing locks may be reached by 1961, and additional locks will be needed by that date.

DEFENSE

The Canal must be kept open for transit of the fleet from ocean to ocean, and the locks must be given the maximum possible physical protection from vital damage. An additional system of locks, constructed in locations removed from the present locks, reduces considerably the danger of vital damage, and closing, if need be, the new locks and the bypass channels to all traffic except the Navy would give the highest practicable degree of assurance that no attack on the locks could close the Canal for more than a short period of time.

Careful study and survey was made of the different available locations, and the bypasses proposed will be approximately one-half mile from the Gatun locks, about one-third of a mile from the Pedro Miguel locks, and about one-quarter of a mile from the present Miraflores locks.

All locks will be specially designed to resist air attacks and sabotage. The lock chambers will be of such dimensions as will provide for such future growth in size of vessels as can reasonably be foreseen. The estimates submitted provide for chambers with usable dimensions 1,200 feet long, 135 feet wide, and with 45 feet navigable depth. Approach channels will have minimum width of 300 feet and depth of 40 feet at low water. The exact dimensions will be fixed when detailed plans are drawn, and provision will be made at Gatun and at Miraflores for a highway underpass or bascule bridge. No increase is needed in the existing supply of water for the operation of the proposed locks.

COST

The total estimated cost will be approximately \$277,000,000. The increase over the estimate in the 1931 report arises by reason of separate locations, increased prices, larger dimensions, approach channels, and special protective features.

A large amount of preliminary work, including the relocation of railroads and other structures, the provision of rail and highway access to the work, and the extension of housing, water, light, power, sewers, and sanitation to the areas that will have to be occupied by the construction workers can be undertaken whenever funds are made available. Excavation of approach channels should begin at once. It is recommended that \$15,000,000 be made available at once.

The item of \$15,000,000, which has been approved by the President, Commander in Chief of the Army and Navy, by the Budget submitted to Congress and rejected by the Committee on Appropriations, is the item described above in the report of the Committee on Merchant Marine and Fisheries.

The hearings before the Committee on Merchant Marine and Fisheries contained a statement by Brigadier General Strong, Assistant Chief of Staff, War Plans Division, as follows:

The greatest danger of destruction of any of these canals is sabotage. The next danger is from an air raid. Now, as far as destruction either by sabotage or air raid of one set of locks is concerned, that can adequately be met by another set of locks a short distance away, not necessarily 4 miles, probably 300 yards or 400 yards away would be adequate, because that would be entirely out of range of any destructive effect of a vessel blown up in the locks, or a mine or air bomb. Hence, putting a third set of locks in the canal probably, from a national-defense standpoint, would serve the purpose exactly as well as a new canal some distance away and probably would be very materially cheaper, not only for the initial construction but certainly as far as maintenance of the defense installations is concerned.

Speaking of the additional facilities proposed, General Ridley, Governor of the Canal, when asked how soon the work of construction could commence, if deemed necessary or desirable, said:

We could start construction during the coming year on the excavation only, except we would do a considerable amount of preparatory work, preparing for the work of the contractor, if it is done by contract. For example, the relocation of the railroad at the Atlantic end and construction of drawbridges across the present locks at Miraflores to facilitate construction of the west side of the Canal.

Again:

I can assure you that the locks in this project will be protected in every conceivable way. And I might say here, also, that those locks, if built now, could be kept entirely for the use of our Navy

for a considerable period of years, until the traffic increases to the point where we have to use that third set of locks while we are overhauling the old locks.

Speaking of the need for these locks, General Schley, now Chief of Engineers and former Governor of the Canal, said:

The first point I make is that greater protection is needed for the Panama Canal in two respects: First, greater protection for what we now have in the way of installations; and, second, a third set of chambers. And the reason that a third set of chambers is also necessary is, first, that they can be designed in their fundamental features so as to be better capable of protection; and, second, they will be of larger size and therefore can transit larger ships of war; and, third, by their separation from the other two chambers they will have to be separately attacked in order to be destroyed, as well as the others; whereas the other two are so close together that it is possible to conceive a single attack throwing both of them out of commission.

The importance of the Panama Canal in the problem of national defense cannot be exaggerated. Those of us now alive who remember how we waited in 1898 for the arrival of the *Oregon* in the Caribbean en route from the Pacific are determined that, if possible, the dangers we experienced then shall not be repeated.

Maj. George Fielding Eliot, in his splendid work, *The Ram-parts We Watch*, pointed out that while the United States is not dependent on external communications for its food, nor for any save a few—though some of these are quite important—of the industrial raw materials, saying:

Yet if it were deprived of the use of the sea, if not only its foreign trade but its coastal and intercoastal maritime traffic were interrupted, great hardships would be imposed on its people, and the result, while not as immediately drastic as would be a similar calamity to the British Isles, would assuredly in the end be disastrous.

The United States has no world-girdling colonial empire, yet it does possess outlying possessions, the safekeeping of one of which—the Panama Canal Zone—is absolutely vital to its military security, and of certain others scarcely less than that.

The Panama Canal has been referred to as our lifeline. With it intact we can, in a short time, throw our full naval strength in either ocean. Without it, or without its security assured, we may as well realize, at once, that a two-ocean navy will be demanded by the American people, who will not permit speculation with their defenses.

We cannot afford to take any chances in these perilous days. It is true that 6 years must elapse before we have the security we desire, but every year's delay postpones that security. If we had gotten the appropriation last August when it was requested, we would have been nearer completion by 1 year. If we are to postpone it now for 1 or 2 years, who can say that these defenses may not be needed at an earlier date? All of us desire the security of our country. Of that I am assured. For my part, I will take no chances. I hope the appropriation may be made as approved by the Bureau of the Budget.

I shall offer an amendment to restore the item to the bill. I hope it will prevail. At least I shall have done my duty as I see it.

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. TERRY having resumed the chair as Speaker pro tempore, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8668, and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. POWERS. Mr. Speaker, I ask unanimous consent that the gentlewoman from Massachusetts [Mrs. ROGERS] may be allowed to revise and extend her remarks and include certain excerpts.

The SPEAKER pro tempore (Mr. TERRY). Without objection, it is so ordered.

There was no objection.

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an editorial upon the Barkley and Mundt bills, which appeared in the *Akron Beacon*.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks made in the Committee this afternoon and to include therein excerpts and quotations from other documents and publications.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee this afternoon and also to include therein a statement by the Army engineers concerning Caddoa Dam.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article of mine in the current issue of State Government.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SESSION OF SUBCOMMITTEE OF COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow the special subcommittee of the Committee on the District of Columbia may be permitted to sit during the session of the House.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I previously made in Committee this afternoon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include one or two editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from a newspaper regarding water pollution.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill under consideration this afternoon and to include brief excerpts from Government documents and editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under special order of the House the gentleman from Mississippi [Mr. RANKIN] is recognized for 15 minutes.

Mr. RANKIN. Mr. Speaker, the hour is late and I have some things I want to demonstrate to the House. I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and the completion of the legislative program, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. RANKIN. I hope you will all be here tomorrow. I have a new meter that I want to show you that is a revolution in an electrical appliance.

Mr. POWERS. Is it a parking meter?

Mr. RANKIN. It is one that parks in your house and keeps down expenses. One that you can read yourself without the help of an engineer.

Mr. POWERS. I would like to have something like that in my house. [Laughter.]

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a speech made by Hon. John M. Carmody.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 5 days, on account of official business.

To Mr. SCRUGHAM, for 10 days, on account of official business.

To Mr. SMITH of Illinois, indefinitely, on account of important business.

ORDER OF BUSINESS

Mr. POWERS. Mr. Speaker, is it my understanding that the House will meet at noon tomorrow and the first order of business, after the reading of the Journal, will be the War Department nonmilitary appropriation bill?

The SPEAKER pro tempore. That is the program as far as the Chair is advised.

ADJOURNMENT

Mr. SNYDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Thursday, February 29, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Thursday, February 29, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Monday, March 4, 1940, at 10 a. m., there will be continued before Subcommittee No. I of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

On Monday, March 4, 1940, at 10 a. m., Subcommittee No. IV of the Committee on the Judiciary will hold a hearing on the bill (H. R. 7737) to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States and direct appeals to the Supreme Court of the United States in certain cases involving the constitutional validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes.

The hearing will be held in room 346, House Office Building.

COMMITTEE OF THE CENSUS

There will be hearings by the Committee on the Census in room 213, House Office Building, Thursday, February 29, 1940, at 10:30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following date on the matters named.

Thursday, March 7, 1940:

H. R. 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

This bill was previously referred to the Committee on Ways and Means, but under date of February 26 it was rereferred to this committee.

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of \$50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1412. A letter from the director, national legislative committee of the American Legion, transmitting a copy of the external audit of the financial accounts for the calendar year ended December 31, 1939; to the Committee on World War Veterans' Legislation.

1413. A letter from the director, national legislative committee of the American Legion, transmitting a copy of the external audit of the financial accounts of the American Legion for the calendar year ended December 31, 1939; to the Committee on World War Veterans' Legislation.

1414. A letter from the Acting Secretary of War, transmitting a draft of a bill to amend the National Defense Act, as amended, to provide for enlistments in the Army of the United States; to the Committee on Military Affairs.

1415. A letter from the Acting Postmaster General, transmitting a draft of a proposed amendment to section 226 of an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909 (35 Stat. L. 1134) (18 U. S. C., 1934 ed., sec. 356); to the Committee on the Post Office and Post Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 7806. A bill to authorize the striking of an appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town; without amendment (Rept. No. 1686). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 8691. A bill to establish a fish hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. RANDOLPH:

H. R. 8692. A bill to amend the act to regulate the practice of podiatry in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KEFAUVER:

H. R. 8693. A bill to provide for the Office of Public Defender for the District of Columbia; to the Committee on the District of Columbia.

By Mr. RANDOLPH:

H. R. 8694. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; to the Committee on the District of Columbia.

By Mr. TOLAN:

H. R. 8695. A bill to provide for grants to the States for assistance in the rehabilitation of disabled persons incapacitated for normal employment; to the Committee on Education.

H. R. 8696. A bill to provide for grants to the States for assistance to needy disabled adults; to the Committee on Ways and Means.

By Mr. TENEROWICZ:

H. R. 8697. A bill to provide for employment, for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. DEMPSEY:

H. R. 8698. A bill to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939; to the Committee on the Judiciary.

By Mr. GARRETT:

H. R. 8699. A bill granting to clerks in third-class post offices the status of postal employees and the benefits of annual and sick leave; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas:

H. R. 8700. A bill to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. MARTIN of Iowa:

H. R. 8701. A bill to provide pension benefits for certain Spanish-American War veterans; to the Committee on Pensions.

By Mr. CELLER:

H. R. 8702. A bill to amend the Judicial Code with respect to the continuation of grand juries to finish investigations; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. Con. Res. 49. Concurrent resolution to acquire land bases strategic for the defense of the Panama Canal and the Western Hemisphere through payment in part by gold and in part by credits on defaulted debts; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 404. Resolution to make H. R. 1, a bill providing for an excise tax on retail stores, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 1, concerning a plan for old-age security wholly supported by Federal funds; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 8703. A bill for the relief of Mrs. Frank Runk; to the Committee on Claims.

By Mr. BOEHNE:

H. R. 8704. A bill granting an increase of pension to Quesie Burns; to the Committee on Invalid Pensions.

By Mr. COSTELLO:

H. R. 8705. A bill for the relief of Howard Mondt; to the Committee on Military Affairs.

By Mr. GARRETT:

H. R. 8706. A bill for the relief of Wayne C. Wright; to the Committee on Claims.

By Mr. HORTON:

H. R. 8707. A bill for the relief of William T. J. Ryan; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 8708 (by request). A bill for the relief of Harold C. Preble, naval architect; to the Committee on Claims.

H. R. 8709. A bill for the relief of Charles N. Barber, former United States property and disbursing officer, Vermont National Guard, and for other purposes; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8710. A bill granting a pension to David H. Lambert; to the Committee on Pensions.

By Mr. ROBINSON of Utah:

H. R. 8711. A bill for the relief of J. H. Wootton; to the Committee on Claims.

By Mr. WARD:

H. R. 8712. A bill for the relief of Mrs. George E. Richardson; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6704. By Mr. ANDERSON of California: Senate joint resolution relative to memorializing Congress to enact a plan for old-age security wholly supported by Federal funds; to the Committee on Ways and Means.

6705. By Mr. CASE of South Dakota: Petition of Lena E. Moffet and 14 other petitioners of Oelrichs, S. Dak., requesting and urging that an embargo of all war materials be imposed upon Japan; to the Committee on Foreign Affairs.

6706. By Mr. JENSEN: Petition of Wallace W. Deupree, proprietor of the Woodbine Theater, of Woodbine, Iowa, and 74 of his patrons, endorsing support and passage of the Neely bill (S. 280), now in House Committee on Interstate and Foreign Commerce; to the Committee on Interstate and Foreign Commerce.

6707. By Mr. JOHNS: Petition of Norma Schroeder and 46 other members of the Ladies' Auxiliary, Veterans of Foreign Wars, of Two Rivers, Wis., urging the passage of House bill 7925; to the Committee on World War Veterans' Legislation.

6708. By Mr. KEOGH: Petition of the Green Mountain Club, Inc., New York Section, Inc., concerning the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6709. Also, petition of Edward S. Godfrey, Jr., commissioner of health, New York City, concerning the Barkley bill (S. 685); to the Committee on Rivers and Harbors.

6710. Also, petition of the New York Association of Biology Teachers, New York City, concerning Senate bill 685; to the Committee on Rivers and Harbors.

6711. By Mr. LEAVY: Resolution adopted by the Lumber and Sawmill Workers, Local Union No. 100, I. W. A., at Spokane, Wash., on February 20, wholeheartedly endorsing the recommendation of the Unemployment Compensation Board that a 1-week waiting period be established with a \$24 weekly benefit in lieu of the present regulations; pointing out that the present waiting period is altogether too long and the weekly benefit so small that workers are not afforded an opportunity to collect the full amount of their claims; to the Committee on Ways and Means.

6712. By Mr. SMITH of West Virginia: Resolution of the West Virginia Chamber of Commerce, protesting against the enactment of the so-called Mead bill; to the Committee on Banking and Currency.

6713. By the SPEAKER: Petition of the United Packing-house Workers of America, Birmingham, Ala., petitioning consideration of their resolution with reference to America's unemployed; to the Committee on Labor.

SENATE

THURSDAY, FEBRUARY 29, 1940

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, source of all love and wisdom, touch our hearts that we may be filled with the spirit that makes for unity of feeling amidst all diversities of thought. Grant to each one of us at this morning hour a sense of thankfulness for the loveliness of earth, for joy encountered by the way, and knowledge gleaned from hard experience, for Thou has taught us that praise is comely and by it our hearts are enlarged.

Let Thy fiery, cloudy pillar lead the nations of the world out of this wilderness of unrighteous fear and hate into the realm of peace, where love and wisdom shall inspire and govern the lives of men.

O God of peace, strengthen and console us; O God of hope, sustain and uphold us; O God, who art the everlasting fountain whence the living waters flow, rise Thou in the spiritual rock, flow through our deeds and make them pure. In our Saviour's name, we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 26, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1935. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and